The New York Central Railroad Company

Report of the Board of Directors
to the Stockholders
for the year ended
December 31, 1938

New York Central Building
230 Park Avenue
New York

ORGANIZATION OF THE NEW YORK CENTRAL RAILROAD COMPANY

DECEMBER 31, 1938

DIRECTORS

William K. Vanderbilt	Patrick E. Crowley	Edward B. Greene
Harold S. Vanderbilt	Myron C. Taylor	Walter P. Chrysler
Edward S. Harkness	James Simpson	George Whitney
Bertram Cutler	Frederick E. Williamson	T. Jefferson Coolidge
Jackson E. Reynolds	Robert F. Loree	William E. Levis*

The annual meeting of the stockholders for the election of directors is held in the city of Albany, New York, on the fourth Wednesday in May

*Elected January 11, 1939

EXECUTIVE COMMITTEE

William K. Vanderbilt	Frederick E. Williamson
Harold S. Vanderbilt	Robert F. Loree
Jackson E. Reynolds	Walter P. Chrysler

George Whitney

OFFICERS

President	Frederick E. Williamson	New York
Executive Vice President	Raymond D. Starbuck	New York
Vice President, Law	Jacob Aronson	New York
Vice President, Personnel	John G. Walber	New York
Vice President, Improvements and Development	Richard E. Dougherty	New York
Vice President, Accounting	William C. Wishart	New York
Vice President, Purchases and Stores	William C. Bower	New York
Vice President, Traffic	Martin J. Alger	New York
Vice President, Freight Traffic	Charles J. Brister	New York
Vice President	Willard F. Place	New York
Vice President	William F. Schaff	Chicago
Vice President and General Manager	David B. Fleming	New York
Vice President and General Manager	Charles S. Millard	Cincinnati
Vice President	Howard M. Biscoe	Boston
Assistant Vice President and General Manager	Jesse L. McKee	Detroit
Assistant Vice President and General Manager	Frederick S. Risley	Cleveland
Assistant Vice President	Fredolin F. Riefel	Chicago
Assistant Vice President and Comptroller	Leroy V. Porter	New York
Secretary	Joseph M. O'Mahoney	New York
Treasurer	Rudolph P. Ahrens	New York

Treasurer, 466 Lexington Avenue, New York, transfers stock; pays dividends on stock; transfers registered bonds; pays interest on coupon and registered bonds

Central Hanover Bank and Trust Co., New York, registers stock

Morgan Grenfell & Co., Limited, 23 Great Winchester Street, London, E. C. 2, England, act as London correspondents

REPORT

To the Stockholders of

THE NEW YORK CENTRAL RAILROAD COMPANY

The Board of Directors herewith submits its report for the year ended December 31, 1938, with statements showing the income and the financial condition of the company.

The year's business

The recession in business, beginning in the late summer of 1937 and continuing throughout the first eight months of 1938, was reflected in our revenues in each of those months. Commencing with October, there was an improvement in general business conditions, and this resulted in a somewhat more favorable showing in the latter months of the year. The total operating revenue for the year amounted to $298,681,195.21, a decrease of $67,544,931.25 (18.44%), as compared with 1937.

Revenue freight handled amounted to 98,593,108 tons, a decrease of 32,956,337 tons (25.05%). Freight revenue amounted to $202,781,708.24, a decrease of $54,759,743.34 (21.26%), due to the decrease in volume of traffic handled.

Tonnage of commodities handled, by classes, together with revenue therefrom (before deductions for absorbed switching, overcharges, etc.) compared with the previous year was:

Class	Tons handled	Increase or Decrease		Revenue	Increase or Decrease	
Products of Agriculture	8,139,971	359,958	I	$ 19,703,549	$ 820,177	I
Animals and products	2,195,154	60,610	D	15,681,042	481,059	I
Products of mines	57,603,546	19,540,497	D	64,995,202	16,174,738	D
Products of forests	2,147,265	948,088	D	4,953,252	2,096,266	D
Manufacturers and miscellaneous	26,691,671	12,078,804	D	89,042,363	36,349,823	D
All less than carload traffic	1,815,501	688,296	D	18,241,721	4,894,017	D
TOTAL	98,593,108	32,956,337	D	$212,617,129	$58,213,608	D

Revenue passengers carried totaled 48,215,444 a decrease of 2,956,385 (5.78%). Interline passengers decreased 365,182 (12.95%), local passengers decreased 1,723,709 (9.46%), and commutation passengers decreased 867,494 (2.88%). Passenger revenue amounted to $60,313,893.49, a decrease of $6,091,670.44 (9.17%).

INCOME ACCOUNT FOR THE YEAR

INCLUDING ALL LEASED LINES

OPERATING INCOME	Year Ended Dec. 31, 1938 11,070·27 *miles operated*	Year Ended Dec. 31, 1937 11,079·52 *miles operated*	Increase	Decrease 9·25 *miles*
RAILWAY OPERATIONS				
Railway operating revenues	$298,681,195 21	$366,226,126 46		$67,544,931 25
Railway operating expenses	237,502,382 80	284,000,438 88		46,498,056 08
NET REVENUE FROM RAILWAY OPERATIONS	$61,178,812 41	$82,225,687 58		$21,046,875 17
Percentage of expenses to revenues	(79·52)	(77·55)	(1·97)	
Railway tax accruals	$32,723,604 74	$32,160,527 04	$563,077 70	
RAILWAY OPERATING INCOME	$28,455,207 67	$50,065,160 54		$21,609,952 87
Equipment rents, net debit	$10,106,754 72	$10,722,837 90		$616,083 18
Joint facility rents, net debit	2,765,977 20	3,314,055 39		548,078 19
NET RAILWAY OPERATING INCOME	$15,582,475 75	$36,028,267 25		$20,445,791 50
OTHER INCOME				
Revenues from miscellaneous operations	$551,439 55	$710,121 30		$158,681 75
Income from lease of road and equipment	487,235 74	551,341 14		64,105 40
Miscellaneous rent income	3,356,661 07	3,525,522 54		168,861 47
Miscellaneous non-operating physical property	1,326,068 00	1,335,227 85		9,159 85
Separately operated properties—profit	288,047 04	527,219 76		239,172 72
Dividend income	5,455,252 05	11,675,123 26		6,219,871 21
Income from funded securities	3,233,525 88	4,654,454 57		1,420,928 69
Income from unfunded securities and accounts	359,679 73	1,186,281 36		826,601 63
Income from sinking and other reserve funds	65,561 26	77,870 12		12,308 86
Miscellaneous income	50,196 01	74,233 79		24,037 78
TOTAL OTHER INCOME	$15,173,666 33	$24,317,395 69		$9,143,729 36
TOTAL INCOME	$30,756,142 08	$60,345,662 94		$29,589,520 86
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Expenses of miscellaneous operations	$434,717 84	$552,459 25		$117,741 41
Taxes on miscellaneous operating property	76,718 81	72,275 32	$4,443 49	
Miscellaneous rents	514,544 44	627,010 91		112,466 47
Miscellaneous tax accruals	427,254 30	359,928 44	67,325 86	
Separately operated properties—Loss	18,919 38	648 22	18,271 16	
Miscellaneous income charges	207,580 26	183,664 63	23,915 63	
TOTAL MISCELLANEOUS DEDUCTIONS	$1,679,735 03	$1,795,986 77		$116,251 74
INCOME AVAILABLE FOR FIXED CHARGES	$29,076,407 05	$58,549,676 17		$29,473,269 12
FIXED CHARGES				
Rent for leased roads and equipment	$22,472,195 15	$25,163,018 97		$2,690,823 82
Interest on funded debt	25,297,503 10	26,404,466 26		1,106,963 16
Interest on unfunded debt	1,461,066 00	629,578 99	$831,487 01	
TOTAL FIXED CHARGES	$49,230,764 25	$52,197,064 22		$2,966,299 97
* Deficit NET INCOME	$20,154,357 20*	$6,352,611 95		$26,506,969 15
Equipment depreciation charges included in expenses.....	$16,106,282 74	$16,111,418 97		$5,136 23
Included in Other Income and Rent for Leased Roads and Equipment are certain intercompany transactions representing credits and corresponding debits amounting to.....	$3,990,620	$5,703,048		$1,712,428
Also included in Other Income are items representing interest and dividends amounting to.....	$1,491,966	$1,512,904		$20,938

received on securities of and advances to terminal and other railroad companies whose properties are jointly used by this Company, as to the major portion of which a like amount was paid by the Company to those companies as rental and included in Joint Facility Rents.

The New York Central Railroad Company

Profit and loss account

BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1937		$194,657,969 49
ADDITIONS:		
Credits from retired road and equipment	$116,843 82	
Donations	16,945 98	
Miscellaneous credits (including $1,120,270.42 in adjustment of advances to Pittsburgh, McKeesport and Youghiogheny Railroad Company for equipment charged to income prior to July 1, 1907)	1,608,376 95	1,742,166 75
		$196,400,136 24
DEDUCTIONS:		
Deficit for the year 1938	$20,154,357 20	
Surplus appropriated for investment in physical property	409,790 70	
Debits from retired road and equipment (represents ledger value, less salvage recovered, of roadway property not required for transportation service retired during the year and charged directly to profit and loss account)	3,216,831 22	
Miscellaneous debits	309,043 85	24,090,022 97
BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1938		$172,310,113 27

Reference is made to comparative condensed general balance sheet, pages 16–17, condensed income account for the years, 1929 to 1938, inclusive, pages 50–51, and statement of profit and loss account for the ten years 1929 to 1938, inclusive, pages 52–53, all summarized from reports as filed with the Interstate Commerce Commission and as supplemented by notes forming an integral part thereof. Reference is also made to comparative five-year statement on page 54 showing disposition of the revenue dollar.

Mileage operated

The total mileage operated by the company, at the end of the year, compared with mileage operated December 31, 1937, was as follows:

	1938 Miles	1937 Miles	Miles
Main line and branches	3,739.78	3,737.57	2.21 Inc.
Leased lines and lines operated under contract	6,502.57	6,514.09	11.52 Dec.
Trackage rights	827.92	827.86	.06 Inc.
TOTAL	11,070.27	11,079.52	9.25 Dec.

The increase of 2.21 miles in main line and branches is due to change in classification of the Churchhill Branch, 2.31 miles, formerly reported as owned but not operated, and offset in part by remeasurement and reclassification .10 mile.

Lines operated under lease or contract decreased 11.52 miles accounted for by reclassification of 5.97 miles of the C. C. C. & St. L. Ry. from first main track to second main track and yards and sidings; reclassification of connections and wyes on the Toledo and Ohio Central Railway from first main track to other main track 1.53 miles; removal of track on the Beech Creek Extension Railroad 1.35 miles; removal of track on the Beech Creek Railroad 1.17 miles; sale of .52 mile of road at Dayton to the Dayton Union Railway, reclassification of first main track on the Chicago, Kalamazoo and Saginaw Railway to sidetracks .89 mile. The balance .09 mile is due to remeasurements.

The increase of .06 mile in trackage rights is accounted for by additional trackage over the Dayton Union Railway of 1.86 miles, and the Baltimore and Ohio Railroad of 1.30 miles, due to remeasurement and reclassification being partly offset by the discontinuance of trackage rights over the Pennsylvania Railroad at Dayton of 1.25 miles; remeasurement of line Norwood to Malone Junction on the Rutland Railroad 1.83 miles, and reclassifying .02 mile.

Operating expenses

Notwithstanding increases of $6,150,134 in wages, due to increases which became effective August 1 and October 1 of the previous year; $234,211 on account of the application of full crew laws in Indiana and New York, and $1,137,680 due to the advance in price of materials; the decrease in volume of traffic enabled economies in operation resulting in a decrease of $46,498,056.08 in operating expenses.

By groups, operating expenses for 1938 were as follows:

Group	Amount	Decrease
Maintenance of way and structures	$33,054,305 35	$8,130,285 40
Maintenance of equipment	59,475,859 44	19,901,512 62
Traffic expenses	6,624,833 82	155,840 19
Transportation expenses	123,265,821 18	16,295,021 08
Miscellaneous operations	5,346,833 09	375,169 77
General expenses	9,774,193 23	1,667,717 32
Transportation for investment—credit	39,463 31	27,490 30 x
TOTALS	$237,502,382 80	$46,498,056 08

x Increased Credit.

Expenses for maintenance of way and structures decreased $8,130,285.40 (19.74%) due to a more restricted program of maintenance made possible by the smaller volume of traffic handled. Accounts reflecting the larger decreases were: roadway maintenance and track laying and surfacing $3,573,102.44; ties, rails and other track material and ballast $2,006,507.60; maintaining station and roadway buildings, fuel and water stations, shops enginehouses and power plants $1,768,663.65; roadway machines and tools $508,778.43; signals and interlockers, telegraph and telephone lines $492,454.04; the net cost of maintaining joint facilities $355,193.44; and there was a net decrease in sundry items of $337,725.64. The foregoing decreases were partly offset by an increase of $182,618.83 in superintendence due to wage increases heretofore mentioned; $621,919.17 in the cost of maintaining bridges, trestles and culverts due to damages by flood; and $107,601.84 in the cost of removing snow, sand and ice due to severer weather conditions.

Expenses for maintenance of equipment decreased $19,901,512.62 (25.07%), due to a less extensive program of maintenance resulting from the decrease in traffic handled. There were decreases aggregating $18,488,608.33 in the several equipment repair accounts; $920,412.13 in the cost of maintaining machinery and tools; and $492,492.16 in other equipment maintenance accounts.

Traffic expenses decreased $155,840.19 (2.30%). There were decreases of $48,218.66 in superintendence; $151,959.85 in the cost of outside agencies, and $44,767.62 in the cost of advertising. Partly offsetting the foregoing decreases, the cost of traffic associations increased $18,252.25; industrial and immigration bureaus $65,675.58; and other items $5,178.11.

Transportation expenses decreased $16,295,021.08 (11.67%) mainly due to a reduction in volume of traffic handled. Decreases were as follows: superintendence, station, train and yard operation with items incident thereto $11,090,576.66; locomotive fuel $3,185,370.74 due to less fuel consumed; $522,983.25 in the cost of operating floating equipment; $981,067.22 in accruals for injuries and damages, and $515,023.21 net in other items.

The cost of miscellaneous operations decreased $375,169.77 (6.56%). There was a decrease of $255,052.17 in the cost of dining car operation due to fewer dining cars having been operated, $91,601.48 in the cost of producing power sold, and a net of $28,516.12 in other items.

General expenses decreased $1,667,717.32 (14.58%). Pensions decreased $1,046,714.22, practically all pension payments having been transferred under the Railroad Retirement Act to the Railroad Retirement Board effective June 1, 1937. Salaries and expenses of general officers and of clerks and attendants decreased $370,371.78 due to reduction in personnel; general office supplies and expenses, stationery and printing $169,968.42 and a net of $80,662.90 in other items.

Railway tax accruals

Railway tax accruals, details of which will be found on pages 32-34, were $32,723,604.74, an increase of $563,077.70 (1.75%). Accruals for various state capital stock taxes decreased $5,707.72, due in part to a lower tax base, and in part to the fact that similar payments applicable to leased lines have been included in the current year as additional leased line rentals; gross earnings or income taxes due various states and City of New York, decreased $333,667.76, due to a decline in gross earnings; Canadian taxes decreased $149,138.57, principally due to reduction in taxable income; Federal capital stock tax decreased $163,020, due to a lower tax base; Federal excise taxes in connection with the Railroad Retirement Act decreased $726,019.93, due to less taxable compensation paid; and other miscellaneous taxes decreased $27,788.55. These decreases were offset by an increase of $1,024,763.11, in Federal and State Unemployment taxes due to an increase of 1% in the tax rate; and an increase of $943,657.12 for real and personal property and special franchise taxes, due mainly to higher rates.

Equipment rents

The net debit to equipment rents amounted to $10,106,754.72. Rents received for the use of the company's equipment on foreign roads decreased $5,815,729.87, while rental paid to others for use of equipment decreased $6,431,813.05, resulting in a net decrease in charges of $616,083.18.

Joint facility rents

There was a net debit to joint facility rents of $2,765,977.20, a decrease of $548,078.19. Rentals received from others for use of the company's facilities increased $205,758.77, while rentals paid for the use of facilities of others decreased $342,319.42.

Net railway operating income

Net railway operating income amounted to $15,582,475.75, a decrease of $20,445,791.50.

Other income

Other income amounted to $15,173,666.33, a decrease of $9,143,729.36. The more important items contributing to this result were as follows:

Revenues from miscellaneous operations decreased $158,681.75; income from lease of road and equipment decreased $64,105.40; miscellaneous rent income decreased $168,861.47; and there was a net decrease of $9,159.85 in revenue from miscellaneous non-operating property.

There was a decrease of $239,172.72 in profit from separately operated properties, brought about by a reduction in income from operation of the Pittsburgh, McKeesport and Youghiogheny Railroad, Muncie Belt Railway, Federal Valley Railroad, Mackinac Transportation Company and the Owasco River Railway.

Dividend income amounted to $5,455,252.05, a decrease of $6,219,871.21. There were net decreases of $3,595,639.21 in dividends received from the Detroit Terminal Railroad Com-

pany, Indiana Harbor Belt Railroad Company, Indianapolis Union Railway Company, Kanawha and Michigan Railway Company, Mahoning Coal Railroad Company, Pittsburgh and Lake Erie Railroad Company, Reading Company and miscellaneous holdings. No dividends were received from Despatch Shops, Incorporated, Merchants Despatch Transportation Corporation, Toledo Terminal Railroad Company and the Jefferson Coal Company, compared with dividends amounting to $2,624,232 received from those companies in the previous year.

Income from funded securities decreased $1,420,928.69. There were decreases amounting to $1,101,727.80, due to discontinuance of interest on notes of The Hudson River Connecting Railroad Corporation held by the company; $120,125 due to the redemption or cancellation of bonds held as investments; $60,844 due to reduction in advances and rate of interest, and $138,231.89 in other items.

Income from unfunded securities and accounts decreased $826,601.63. There were decreases of $340,218.04 in interest during construction, due to less expenditures for construction; $133,454.49 in interest received from the United States Government in connection with the property at 452 Lexington Avenue, New York City, payment for which was received in 1937; $184,253.78 in interest on certain collection accounts, due to payments and adjustments, and $168,675.32 in other items.

Fixed charges

Fixed charges amounted to $49,230,764.25, a decrease of $2,966,299.97.

Rent for leased roads and equipment decreased $2,690,823.82. Interest on the funded debt of lessor companies, payable by the company as rental, and dividends on the minority stock of lessors, decreased $2,033,236.92, due to the discontinuance of interest on certain lessor obligations held by the company, the retirement of maturing obligations, certain issues having been called for redemption and other issues refinanced at lower rates of interest. Rentals based upon earnings decreased $703,418.91, as a result of decreased revenues, and there was a decrease of $270,000 in cash rentals, due to the merger of the Kanawha and Michigan Railroad into the Toledo and Ohio Central Railway.

The foregoing decreases were offset in part by an increase of $126,274.74 in Federal taxes and interest paid for account of lessors, and taxes amounting to $65,762.29 assessed by the States of New York and Pennsylvania, formerly classed as railway tax accruals and now included in this account. Rentals paid for the use of various tracks and equipment increased $106,665.25, and there was a net increase of $17,129.73 in other items.

Interest on funded debt amounted to $25,297,503.10, a decrease of $1,106,963.16. There was a decrease of $945,990.42 in interest on the company's 6% Ten-Year Convertible Secured Bonds, and $9,436.11 on a five-year note to the Securities Corporation of the New York Central Railroad, which amounts were included in accounts of the previous year, as compared with none in the current year; a decrease of $229,286.66 due to the reacquirement by the company, during 1937, of $8,000,000, principal amount, of its 5% Refunding and Improvement Mortgage Bonds of Series C; a decrease of $53,913.37, due to the retirement of $1,426,000 of 3¾% Ten-Year Secured Sinking Fund Bonds; a decrease of $45,000 due to the payment of $3,000,000 principal amount of Serial Secured Notes of Series B, which matured April 1, 1938; a decrease of $278,987.51 in interest on equipment obligations due to the payment of maturing installments, and a net decrease of $125.43 in other items. The foregoing decreases were partly offset by an increase of $133,693 in interest on the company's 3¼% Fifteen-Year Secured Bonds on which interest was accrued for the entire year, as compared with eight months of the previous year; and there was an increase of $22,083.34 in interest on the company's 2% Secured Notes, due September 12, 1941.

Interest on unfunded debt amounted to $1,461,066, an increase of $831,487.01. There was an increase of $509,348.45 in interest on loans from banks and trust companies mentioned elsewhere in this report; $259,681.14 credited to the City of New York in settlement for land acquired in exchange in connection with the West Side Improvements; $70,932.86 in interest accrued on taxes assessed by the State of New Jersey, the assessment being in litigation; and $50,175.92 in interest on the company's proportion of grade elimination work financed by the State of New York. The foregoing increases were offset in part by a net decrease of $58,651.36 in other items.

Deficit for the year

As reflected in the foregoing statement of the income account, results for the year show a deficit of $20,154,357.20, which was charged to profit and loss.

Stockholders

The capital stock of the company at the close of the year was owned by 62,756 holders, with an average holding of 102.75 shares, an increase of 1,338 holders as compared with December 31, 1937. At the close of the year there were in the United States 60,929 holders, with an average holding of 96.25 shares, and abroad 1,827 holders, with an average holding of 318.8 shares.

Changes in funded debt

The changes in funded debt of the company, in detail, were as follows:

The amount outstanding on December 31, 1937		$640,043,200 00
was increased as follows:		
2% Secured Notes, due September 12, 1911 (referred to later)		5,000,000 00
		$645,043,200 00
and reduced as follows:		
Ten-Year 3¾% Secured Sinking Fund Bonds were reacquired and retired under the sinking fund provisions	$1,426,000 00	
1½% Serial Note, April 1, 1938	3,000,000 00	
Payments falling due during the year on the company's liability for principal installments under Equipment Trust agreements:		
N Y C Lines, Trust of 1923, May 31, 1938	462,000 00	
N Y C Lines, Trust of 1924, May 31, 1938	983,000 00	
N Y C Lines, Trust of 1924, September 14, 1938	848,000 00	
N Y C Lines, Trust of 1925, May 14, 1938	734,000 00	
N Y C R R Co Trust of 1929, April 14, 1938	1,100,000 00	
N Y C R R Co Second Trust of 1929, November 30, 1938	715,000 00	
N Y C R R Co Trust of 1930, May 14, 1938	952,000 00	
N Y C R R Co Trust of 1937, March 14, 1938	286,000 00	10,536,000 00
leaving the funded debt outstanding on December 31, 1938		$634,507,200 00

There was also outstanding on December 31, 1938, the amount of $26,577,697.52 payable over a period of years to the State of New York for the company's proportion of the cost of certain grade crossing eliminations which amount is carried in Deferred Liabilities.

$20,000,000 loans from Banks

In order to provide necessary funds to meet its cash requirements, the company borrowed during the year from the following banks the amounts indicated, totalling $20,000,000:

The First National Bank of the City of New York	$5,000,000
Guaranty Trust Company of New York	5,000,000
Irving Trust Company	5,000,000
The Chase National Bank of the City of New York	2,500,000
J. P. Morgan & Company	2,500,000

These loans were obtained under agreements dated April 30, 1938, made with the respective banks, severally, and are secured by pledge of shares of stock, bonds and other collateral owned by the company. The loan from each bank was taken in three installments, 50% on April 30, 25% on May 14, and 25% on June 30, and each installment is evidenced by the company's 4% promissory note due April 30, 1940.

Maintenance loan

During the year the company borrowed $5,000,000 from The National City Bank of New York, due September 12, 1941, guaranteed as to payment of principal and interest by Reconstruction Finance Corporation, to provide in part for the cost of a program of maintenance and improvement of the company's owned and leased lines and equipment used thereon, including the laying of rail and repair of locomotives and passenger cars. This loan is evidenced by the company's 2% promissory notes dated September 12, 1938, for $1,250,000, October 1, 1938, for $1,250,000 and November 1, 1938, for $2,500,000, which are secured by pledge of bonds owned by the company.

Changes in the aggregate outstanding debt of the company and its lessor companies

As of December 31, 1938, there were outstanding in the hands of the public, funded debt of the company and its lessor companies in the aggregate amount of $983,311,397.52 (including $26,577,697.52 payable to the State of New York, heretofore referred to, and $20,000,000 of two-year 4% secured notes, due April 30, 1940, evidencing loans from banks and trust companies, carried as loans and bills payable), which compared with a total of $972,902,945.31 on December 31, 1937, a net increase for the year of $10,408,452.21. As of December 31, 1938, there was outstanding in the hands of the public, funded debt of wholly owned subsidiaries of the company or its lessor companies, viz., Merchants Despatch Transportation Corporation (successor of Merchants Despatch, Incorporated), Louisville and Jeffersonville Bridge and Railroad Company, Clearfield Bituminous Coal Corporation, New York State Realty and Terminal Company, and the Securities Corporation of the New York Central Railroad, in the amount of $13,855,900, an aggregate reduction during the year of $1,309,500. There was also outstanding as of December 31, 1938, capital stock of lessor companies not owned by the company or by lessor companies in the aggregate par amount of $55,022,515.

Reference is made to tables on pages 27–28, for detailed statements of funded debt of the company, and on pages 55–58, for capital stock and funded debt of its lessor companies, debt of subsidiary companies and contingent liabilities, etc., as of December 31, 1938.

Of the total funded debt, including equipment obligations, of the company and its lessor companies outstanding in the hands of the public on December 31, 1938, as shown above, $17,626,302 matures during the year 1939, including sinking fund payments and amounts due the State of New York, and for the same period such maturities of wholly owned subsidiaries mentioned above amount to $1,046,000.

Termination of New York Central Lines Equipment Trust of 1923

The New York Central Lines Equipment Trust of 1923 expired on June 1, 1938, and the title to the equipment was transferred by the Trustee to the several railroad companies entitled thereto under the terms of the lease covering the equipment. The equipment so transferred was as follows: To this company 8 switching locomotives, 50 passenger coaches, 15 passenger and baggage cars, 30 motor passenger cars, 14 baggage cars, 72 milk cars, 15 refrigerator cars and 1,993 hopper cars; to The Michigan Central Railroad Company 3 dining cars, 18 passenger coaches, 18 baggage cars, 1,966 refrigerator cars, and 1,993 auto box cars; and to The Cleveland, Cincinnati, Chicago and St. Louis Railway Company 2 dining cars, 26 passenger coaches, 5 passenger and baggage cars and 15 baggage cars.

Purchase and extension of The Kalamazoo, Allegan and Grand Rapids Railroad Company Bonds

The $840,000 of The Kalamazoo, Allegan and Grand Rapids Railroad Company First Mortgage 5% Bonds, due July 1, 1938, were acquired by the company and, in accordance with the provisions of the lease under which the company operates that railroad, the maturity date was by Supplemental Agreement dated June 20, 1938, extended to July 1, 1968. The extended bonds remain secured by the mortgage, but it is provided that the interest payable during the extended term shall not be free from any tax on such interest which may be imposed by the State of Michigan or the United States. The company endorsed on each of the extended bonds a statement of its agreement under the lease to pay the principal and interest thereof as they become due according to the terms of the bonds as extended. The extended bonds were not disposed of by the company, but continue to be held by it.

Acquisition and guaranty of bonds of Boston and Albany Railroad Company

On August 30, 1938, the company received from the Boston and Albany Railroad Company $3,015,000, principal amount of that company's Main Line First Mortgage 4½% Bonds, Series B, due July 1, 1948 (subject to Lease to The New York Central Railroad Company). These bonds were issued and delivered to the company, in accordance with the provisions of the lease under which the company operates that railroad, in discharge of a like amount of advances made by the company to the Boston and Albany Railroad Company to provide for payment of $1,000,000 of that company's 4½% Improvement Bonds matured July 1, 1937, and $2,015,000 of its 5% Improvement Bonds matured July 1, 1938. Pursuant to the requirements of the lease these bonds, upon receipt, were guaranteed as to payment of principal and interest, by endorsement by the company. They were not sold by the company.

Mergers of certain system companies

In the annual report to the Stockholders for 1937 reference was made to proposed mergers of certain subsidiary companies upon the terms and conditions there summarized. These mergers became effective on June 30, 1938, and resulted in a reduction of thirteen in the number of subsidiary system companies. By one of the mergers The Cleveland, Cincinnati, Chicago and St. Louis Railway Company merged into itself The Cincinnati Northern Railroad Company, The Cincinnati, Sandusky and Cleveland Railroad Company, The Cincinnati, LaFayette and Chicago Railroad Company, The Columbus, Hope and Greensburg Railroad Company, Evansville, Indianapolis and Terre Haute Railway Company, The Evansville, Mt. Carmel and Northern Railway Company, The Muncie Belt Railway Company and Vernon Greensburg and Rushville Railroad Company. By the other merger The Toledo and Ohio Central Railway Company merged into itself The Kanawha & Michigan Railway Company, Kanawha and West Virginia Railroad Company, The Zanesville and Western Railway Company, The Bailey Run, Sugar Creek and Athens Railway Company and The Middleport and Northeastern Railway Company. The properties formerly owned by the merged companies are now operated by the company under its leases of the properties of The Cleveland, Cincinnati, Chicago and St. Louis Railway Company and The Toledo and Ohio Central Railway Company, respectively.

Property investment accounts

Changes in the property investment accounts for the year, as shown in detail on pages 18, 19, 23–26, were as follows:

Road and general expenditures	$1,773,580 37	Increase
Equipment	11,083,645 29	Decrease
Improvements on leased railway property	820,280 53	Decrease
Miscellaneous physical property	840,883 08	Increase
a net decrease of	$9,289,462 37	

West Side Improvements, New York City

The reconstruction of the stock yards at West 41st Street, west of 11th Avenue, was completed in September, 1938. The 41st Street Freight Yard has been abandoned and there are no tracks now in service on the surface of City streets north of the 30th Street Yard.

Work is progressing on the first section of the 11th Avenue Viaduct over the 30th Street Yard between 34th and 37th Streets, and for the change of grade of West 34th Street east and west of 11th Avenue, and will be completed in 1939.

The north half of the new Team Yard between West 34th and West 35th Streets, with a capacity of 53 cars, was placed in service in the fall of 1938 and the balance of the tracks will be constructed in the spring of 1939. Work is practically complete in connection wth the construction of the Yard between West 35th and West 37th Streets, 11th to 12th Avenues.

Buildings occupied by the Maintenance-of-Way Department forces and the Stores Department in the 30th Street Yard have been demolished and new facilities provided on West 28th and West 30th Streets. Work is in progress for remodeling buildings at West 37th Street and 11th Avenue, so as to give track service to these buildings from the depressed tracks. A new building was completed and leased to the Metal Purchasing Company on the north side of West 30th Street between 10th and 11th Avenues.

Plans are under preparation for the reconstruction of buildings in the 30th Street Yard and the construction of the remainder of the 11th Avenue viaduct south of West 34th Street. This work will be progressed in 1939.

The major portion of work in connection with the Express Highway and Related Improvements, between West 79th and Dyckman Streets, is in service and the entire project will be completed in 1939.

Grade crossing elimination and reconstruction of bridges

The State of New York authorities being actively engaged in the elimination of grade crossings, this company was required to and has eliminated, during the year, sixteen grade crossings at an estimated cost of $3,444,000, the company's share being $1,687,000, and is being financed in the first instance with funds obtained from the proceeds of State bonds.

In addition, as a result of the Federal Government's policy of providing work relief under the Federal Emergency Relief Act of 1935, this company during the calendar year 1938 was able to eliminate two grade crossings and reconstruct two bridges in the State of New York, and reconstruct one bridge in the State of Pennsylvania. As the Federal Government, in connection with its work relief program, relieved the States and this company of all construction costs, estimated at $841,700, our expenditures in connection therewith for engineering, land and supervision, amounted to approximately $96,600.

Also, due to moneys being appropriated under the Federal Aid Highway Act of 1936, this company during the calendar year of 1938 completed the reconstruction of one bridge in the State of New York and started the work of eliminating one grade crossing and reconstructing eight bridges in addition to the one completed. It is estimated that the Federal expenditures in connection with these projects will be approximately $1,166,000 and the cost to this company approximately $56,000.

In the State of New Jersey, one elimination of grade crossing project is now under way with an estimated cost of $411,000, this company's proportion being approximately $47,600. The Federal Government's share is estimated to be $165,700, the balance to be borne by the State of New Jersey. This project is being financed in part with P. W. A. Federal money, the State of New Jersey applying this money to defray approximately 45% of the cost, which would ordinarily fall on the Railroad Company.

The New York Central Railroad Company

In November 1938, the people of New York State adopted a constitutional amendment which is of importance to railroad companies. This Amendment became effective January 1, 1939, and under its provisions railroad companies will be required to pay only for benefits to the railroads resulting from such eliminations, and in no event more than 15% of the cost of the actual elimination.

Grand Central Terminal area and electric division

During the year Platforms G and H on the lower level, Grand Central Terminal, were extended so as to accommodate 16 car trains.

Construction of a new substation building at the corner of 126th Street and Park Avenue, New York City, and the installation therein of a 3,000 kilowatt rectifier was in progress during the year. The necessity for this additional electrical capacity is to take care of the anticipated increased electrical load near the 125th Street Station due to the World's Fair traffic, and to relieve somewhat the overloaded conditions at Substation 2, Mott Haven, during peak demand periods.

The 320–330 Park Avenue Apartment House, located between East 50th and East 51st Streets on Park Avenue, originally completed in 1916, was entirely modernized, the alterations being completed and building ready for occupancy on August 1, 1938.

Construction of bridge carrying this company's tracks over the Major Wm. F. Deegan Boulevard, connecting the Grand Concourse and Sedgwick Avenue to the Bronx entrance to the Triboro Bridge, was under way during the calendar year 1938.

Line abandonments

During the year authority was obtained fom the Interstate Commerce Commission for the abandonment of the Canandaigua Branch, Holcomb to Caledonia, New York; the Middleport and Northeastern Railway, Rockville to Calvin, Ohio; and the West Branch of the Bailey Run, Sugar Creek and Athens Railway in Athens County, Ohio; a total of 28 miles. Application is pending before the Interstate Commerce Commission for the abandonment of the Antrim Branch, Wellsboro to Antrim, Pennsylvania, 16.65 miles. Investigation is being made of possible abandonments of other branches where the traffic has continued to decline.

Pensions

During the year 48 officers and employees were awarded supplementary pensions under the company's pension system, payments by the company in these cases representing the amount by which pensions, computed under the company plan, exceed the maximum of $120 per month allowable under the Railroad Retirement Act. There were 241 retired officers and employees receiving supplementary pensions at the close of the year. The total amount paid by the company in pensions during the year was $174,714.75.

Valor medals

Since 1926 the company has presented valor medals in recognition of employees who, at the risk of their lives, saved others.

Valor medals were presented to two employees of the company during the year as follows:

Fred Anson Wampler, Captain of Police, Mattoon, Illinois;
John Anthony Cappiello, Crossing Watchman, Massena, New York.

Increased freight rates

On October 19th, 1937, the Interstate Commerce Commission, in Ex Parte 115 Reopened, granted the carriers increases in bituminous coal and other so-called basic commodities, which increases were made effective November 15th, 1937, and December 20th, 1937. These increases granted by the Interstate Commerce Commission were not considered sufficient to meet the carriers' increased costs and the carriers petitioned for an additional increase of 15% in freight rates and charges, with provision for certain smaller increases in rates on bituminous coal, anthracite coal, coke, lumber, sugar, fruits and vegetables.

On March 8, 1938, the Commission granted in part the petition of the carriers authorizing general increases of 10% in freight rates with certain exceptions, the major ones being products of agriculture, animals and products, lumber, shingles and lath, cotton seed oil and vegetable oils, on which commodities an increase of only 5% was granted. Also, on products of mines, no increases were permitted on bituminous coal, lignite, coke or iron ore, and on anthracite coal, the increase was limited to ten cents per ton. These increased rates were made effective during March and April, 1938. At the same time, an increase of 10% was granted on all charges for accessorial services, other than protective services against heat and cold.

The increases were subject to certain maximum provisions in the case of fruits, vegetables, sugar and lumber, and, in addition, the increases previously authorized on October 19th, 1937, and other increases voluntarily published by carriers during the year 1937, were to be taken into account and as part of the increases authorized, so that the percentages would not be considered cumulative thereon.

The increase in rates on bituminous coal granted on October 19th, 1937, which was to expire on December 31st, 1938, has been extended indefinitely by the Commission.

In their petition for increased freight rates, the railroads sought only such reasonable increases as they felt would take care, in part, of the increases in costs over which they have no control. The increases in rates granted by the Interstate Commerce Commission were helpful in offsetting these costs.

Proposed wage reduction

Due to the increase in rates of pay granted to employees in the latter part of 1937 and the serious decline in business following shortly thereafter, the railroads endeavored to obtain a reduction in wages. Application was made for a fifteen percent reduction and all of the railroads served the required notices under their agreements and the Railway Labor Act on May 12, 1938. It was impossible to negotiate any settlements under these notices, making it necessary to invoke the services of the United States Mediation Board and that Board was also unable to effect a settlement.

The labor organizations refused to arbitrate and threatened to strike in the event the railroads placed the reductions into effect. This created an emergency which prompted the President of the United States to appoint an Emergency Board by proclamation under date of September 27, 1938. The Emergency Board held hearings in Washington from September 30, 1938 to October 17, 1938, and rendered its decision on October 29, 1938, holding that wage reductions were not justified.

Losses by death

On June 29, 1938, Frederick W. Vanderbilt, a Director.

Changes in organization

March 31, 1938, George M. Glazier, General Auditor of Revenue, retired.

May 31, 1938, Ernest Thwaites, Assistant General Manager, Ohio Central Lines and Lines West, retired.

The following appointments were made:

April 1, 1938, J. Scott Conover, Assistant Comptroller.

April 13, 1938, E. A. Dougherty, Assistant to Vice-President.

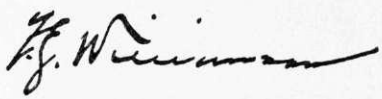
June 1, 1938, A. E. Lloyd, Assistant General Manager, Ohio Central Lines and Lines West.

June 1, 1938, John H. Norwood, General Freight Agent, Chicago, Illinois.

July 10, 1938, F. N. Reynolds, Assistant General Manager, Indianapolis, Indiana.

The Board wishes to express its appreciation of the loyal and efficient service of the officers and employees of the company during the year.

For the Board of Directors,



President.

COMPARATIVE CONDENSED GENERAL BALANCE

ASSETS

1937				1938	Comparison
	INVESTMENTS				
$693,180,469 46	Investment in road			$694,954,049 83	$1,773,580 37 Inc
	Investment in equipment				
125,337,691 54	Trust			117,668,972 18	7,668,719 36 Dec
270,770,821 46	Owned			267,355,895 53	3,414,925 93 Dec
146,244,684 87	Improvements on leased railway property			145,424,404 34	820,280 53 Dec
229,544 48	Sinking funds			180,678 02	48,866 46 Dec
61,029 77	Deposits in lieu of mortgaged property sold			107,987 11	46,957 34 Inc
37,525,037 92	Miscellaneous physical property			38,365,921 00	840,883 08 Inc
	Investments in affiliated companies (Note A)				
	$161,729,162 28	Stocks	$161,538,147 48		*$191,014 80* Dec
	18,682,627 38	Bonds	19,523,227 38		*840,600 00* Inc
	34,764,182 48	Notes	34,579,182 48		*185,000 00* Dec
	199,332,931 25	Advances	198,988,385 10		*344,546 15* Dec
414,508,903 39	TOTAL INVESTMENTS IN AFFILIATED COMPANIES			414,628,942 44	$120,039 05 Inc
	Other investments (Note A)				
	$26,021,592 93	Stocks	$26,019,733 93		*$1,859 00* Dec
	6,479,062 77	Bonds	9,047,729 40		*2,568,666 63* Inc
	1,079,029 98	Notes	1,130,811 66		*51,781 68* Inc
	13,947,978 34	Advances	12,901,674 94		*1,046,303 40* Dec
	153,869 00	Miscellaneous	132,798 95		*21,070 05* Dec
47,681,533 02	TOTAL OTHER INVESTMENTS			49,232,748 88	$1,551,215 86 Inc
$1,735,539,715 91	TOTAL INVESTMENTS			$1,727,919,599 33	$7,620,116 58 Dec
	CURRENT ASSETS				
$18,712,700 59	Cash			$28,053,275 06	$9,340,574 47 Inc
70,000 00	Time drafts and deposits			45,000 00	25,000 00 Dec
4,129,120 23	Special deposits (Note B)			2,702,136 46	1,426,983 77 Dec
80,912 02	Loans and bills receivable			57,649 77	23,262 25 Dec
1,866,317 14	Traffic and car-service balances receivable			2,180,683 25	314,366 11 Inc
3,753,418 21	Net balance receivable from agents and conductors			4,038,515 23	285,097 02 Inc
9,174,778 15	Miscellaneous accounts receivable			8,160,850 19	1,013,927 96 Dec
30,527,218 73	Material and supplies			27,050,755 39	3,476,463 34 Dec
2,220,019 13	Interest and dividends receivable			2,442,827 14	222,808 01 Inc
346,732 54	Rents receivable			341,485 64	5,246 90 Dec
427,029 97	Other current assets			257,996 54	169,033 43 Dec
$71,308,246 71	TOTAL CURRENT ASSETS			$75,331,174 67	$4,022,927 96 Inc
	DEFERRED ASSETS				
$189,092 00	Working fund advances			$185,303 54	$3,788 46 Dec
1,515,130 94	Insurance and other funds			1,514,130 94	1,000 00 Dec
4,113,318 19	Other deferred assets			4,165,084 48	51,766 29 Inc
$5,817,541 13	TOTAL DEFERRED ASSETS			$5,864,518 96	$46.977 83 Inc
	UNADJUSTED DEBITS				
$52,767 93	Rents and insurance premiums paid in advance			$40,770 52	$11,997 41 Dec
16,707,266 68	Other unadjusted debits			12,874,402 65	3,832,864 03 Dec
$16,760,034 61	TOTAL UNADJUSTED DEBITS			$12,915,173 17	$3,844,861 44 Dec
$1,829,425,538 36				$1,822,030,466 13	$7,395,072 23 Dec

NOTE A.—Carried at cost, or less.

NOTE B.—As of December 31, 1938, includes amounts deposited in connection with the Railroad Retirement Act of 1937, covering both amounts payable by the company and deductions from pay of employees.

NOTE C.—As of December 31, 1938, includes $3,299,000 as the New York Central's proportion of $6,067,000 outstanding New York Central Lines equipment trust certificates for all of which it and various lessor companies are jointly and severally liable.

This balance sheet does not include the assets or liabilities of lessor, affiliated, terminal or other companies, nor the liability of The New

The New York Central Railroad Company

SHEET, DECEMBER 31, 1938 and DECEMBER 31, 1937

LIABILITIES

1937		1938	Comparison
$562,332,122 40	Capital stock	$562,332,642 40	$520 00 Inc
	GOVERNMENTAL GRANTS		
$753,807 41	Grants in aid of construction	$885,406 13	$131,598 72 Inc
	LONG TERM DEBT		
	Funded debt unmatured		
$31,147,000 00	Equipment obligations (Note C)	$25,037,000 00	$6,110,000 00 Dec
512,896,000 00	Mortgage bonds	512,896,000 00	—
5,500,000 00	Debenture bonds	5,500,000 00	—
90,500,200 00	Collateral trust bonds	91,074,200 00	574,000 00 Inc
$640,043,200 00		$634,507,200 00	$5,536,000 00 Dec
55,808,661 05	Non-negotiable debt to affiliated companies (Note D)	56,103,392 85	294,731 80 Inc
$695,851,861 05	TOTAL LONG TERM DEBT	$690,610,592 85	$5,241,268 20 Dec
$1,258,937,790 86	TOTAL CAPITALIZATION	$1,253,828,641 38	$5,109,149 48 Dec
	CURRENT LIABILITIES		
—	Loans and bills payable	$20,000,000 00	$20,000,000 00 Inc
$5,479,850 98	Traffic and car-service balances payable	5,621,475 06	141,624 08 Inc
19,567,989 17	Audited accounts and wages payable	15,177,434 24	4,390,554 93 Dec
2,724,094 56	Miscellaneous accounts payable (Note B)	2,604,735 82	119,358 74 Dec
2,479,799 41	Interest matured unpaid	2,485,615 65	5,816 24 Inc
155,397 42	Dividends matured unpaid	154,723 42	674 00 Dec
456,090 00	Funded debt matured unpaid	220,490 00	235,600 00 Dec
5,385,852 81	Unmatured interest accrued	5,363,322 66	22,530 15 Dec
2,242,302 58	Unmatured rents accrued	2,032,475 42	209,827 16 Dec
5,909,430 45	Other current liabilities	5,919,617 43	10,186 98 Inc
$44,400,807 38	TOTAL CURRENT LIABILITIES	$59,579,889 70	$15,179,082 32 Inc
	DEFERRED LIABILITIES		
$5,209,271 73	Liability to lessor companies for equipment	$5,209,271 73	—
29,897,220 84	Other deferred liabilities (Note E)	32,261,332 52	$2,364,111 68 Inc
$35,106,492 57	TOTAL DEFERRED LIABILITIES	$37,470,604 25	$2,364,111 68 Inc
	UNADJUSTED CREDITS		
$20,128,674 48	Tax liability (Note F)	$20,314,483 09	$185,808 61 Inc
4,925,697 77	Insurance and casualty reserves	5,302,597 18	376,899 41 Inc
2,469,372 94	Accrued depreciation—road	2,413,685 07	55,687 87 Dec
184,276,468 56	Accrued depreciation—equipment	184,507,743 10	231,274 54 Inc
3,498,918 42	Accrued depreciation—miscellaneous physical property	3,487,970 64	10,947 78 Dec
71,875,821 60	Other unadjusted credits (Note G)	73,257,423 46	1,381,601 86 Inc
$287,174,953 77	TOTAL UNADJUSTED CREDITS	$289,283,902 54	$2,108,948 77 Inc
	CORPORATE SURPLUS		
$7,446,469 33	Additions to property through income and surplus	$7,856,260 03	$409,790 70 Inc
1,701,054 96	Miscellaneous fund reserves	1,701,054 96	—
194,657,969 49	Profit and loss—balance	172,310,113 27	22,347,856 22 Dec
$203,805,493 78	TOTAL CORPORATE SURPLUS	$181,867,428 26	$21,938,065 52 Dec
$1,829,425,538 36		$1,822,030,466 13	$7,395,072 23 Dec

NOTE D.—As of December 31, 1938, comprises liability to lessor companies for which the New York Central is obligated to make settlement on expiration of the leases:

Equipment	$39,063,784 59
Material and supplies	15,176,065 98
Miscellaneous	1,863,542 28

NOTE E.—As of December 31, 1938, includes:

Amounts payable to New York State as the New York Central proportion of certain grade crossing eliminations	26,577,697 52

NOTE F.—As of December 31, 1938, includes accruals on account of:

Federal Excise Tax in connection with Railroad Retirement Act	1,162,657 86
Federal and State Social Security Taxes	1,054,473 73

NOTE G.—As of December 31, 1938, includes:

Depreciation accruals for equipment of lessor companies	50,221,410 88
Bills rendered and unpaid not credited to income but to be credited to Grand Central Terminal accounts upon collection	3,587,160 34
Accruals for injuries to persons and loss and damage –freight	7,245,422 35

York Central Railroad Company as guarantor or under leases or otherwise with respect to the securities or obligations of such companies.

INVESTMENTS

DECEMBER 31, 1938

IMPROVEMENTS ON LEASED OR CONTROLLED RAILWAY PROPERTY

Amsterdam Chuctanunda & Northern Railroad	$19,897 91
Battle Creek & Sturgis Railway	261 84
Pere Marquette Railway (Bay City Belt Line)	535 28
Beech Creek Railroad	2,618,098 37
Beech Creek Extension Railroad	1,380,452 35
Boston & Albany Railroad	2,537,247 17
Chicago Kalamazoo & Saginaw Railway	364,869 68*
Cleveland Cincinnati Chicago & St Louis Railway	7,694,540 80
Detroit Hillsdale & South Western Railroad	164,954 60
Detroit Manufacturers Railroad	2,772 15*
Detroit River Tunnel	304,028 08
Detroit Toledo & Milwaukee Railroad	973 06*
Erie & Kalamazoo Railroad	153,440 49
Fort Wayne & Jackson Railroad	414,072 03
Grand Central Terminal Improvements	49,585,232 71
Hudson River Connecting Railroad	662,703 52
Hudson River Bridge at Albany	1,440,500 17
Improvement to piers	801,980 18
Improvement to leased ticket offices	98,331 15
Indiana Harbor Belt Railroad, Argo Yard	7,162 73*
Joliet & Northern Indiana Railroad	7,585 30
Kalamazoo Allegan & Grand Rapids Railroad	115,199 19
Lake Erie Alliance & Wheeling Railroad	1,821,305 28
Mahoning Coal Railroad	41,953 66
Mahoning & Shenango Valley Railroad	1,143 24*
Mt Gilead Short Line	11,532 82
Michigan Central Railroad	759,105 12
New Jersey Junction Railroad	600,940 89
New York & Harlem Railroad	34,808,591 15
New York State Realty & Terminal Co property	2,165,680 01
New York stock yards—West Side	1,029,395 27
North Brookfield Railroad	978 34*
Ottawa & New York Railway	272,649 22
Pittsfield & North Adams Railroad	219 02
Shenango Valley Railroad	2,962 93
St Joseph South Bend & Southern Railroad	22,588 52*
St Lawrence & Adirondack Railway	594,329 18
Stewart Railroad	244 60*
Toledo & Ohio Central Railway	7,839,520 71
Troy & Greenbush Railroad	209,602 62
Trustee Central Mfg District Chicago et al	94,987 11
Ware River Railroad	15,333 40*
Wallkill Valley Railroad	211,444 51
West Shore Railroad	27,377,189 72
Total	$145,424,404 34

INVESTMENTS IN MISCELLANEOUS PHYSICAL PROPERTY

Land, Buildings, etc.

At New York	Substructures	Buildings, etc.	Total
New York Central Building, 230 Park Avenue, New York	$938,925 17	$13,478,475 86	$14,417,401 03
Hotel Biltmore Building, New York	—	3,290,130 86	3,290,130 86
Hotel Commodore Building, New York	267,297 27	2,520,641 08	2,787,938 35
Hotel Waldorf Astoria, New York	211,554 30	1,760,058 35	1,971,612 65#
Graybar Building, New York	640,361 36	—	640,361 36
247 Park Avenue, New York	210,397 44	—	210,397 44
250 Park Avenue, New York	305,254 63	—	305,254 63
270 Park Avenue, New York	280,712 37	1,409,247 73	1,689,960 10
Carried forward	$2,854,502 54	$22,458,553 88	$25,313,056 42

* Credit

See also "Other investments—advances", page 22

INVESTMENTS (continued)

INVESTMENTS IN MISCELLANEOUS PHYSICAL PROPERTY (*concluded*)	Substructures	Buildings, etc.	Total
Brought forward	$2,854,502 54	$22,458,553 88	$25,313,056 42
277 Park Avenue, New York	388,196 43	—	388,196 43
290 Park Avenue, New York	195,515 76	—	195,515 76
299 Park Avenue, New York	319,843 77	1,246,097 51	1,565,941 28
300 Park Avenue, New York	225,470 16	—	225,470 16#
320 Park Avenue, New York	59,363 43	772,917 68	832,281 11
340-350 Park Avenue, New York	36,121 50	269,609 39	305,730 89
379 Madison Avenue, New York	71,334 64	—	71,334 64#
385 Madison Avenue, New York	123,413 41	413,714 03	537,127 44
Apartment house, 33 East 48th Street, New York	115,348 76	—	115,348 76#
Hotel Roosevelt, New York	226,103 59	—	226,103 59#
Barclay Park Building, 115 East 48th Street, New York	111,833 75	—	111,833 75#
Vanderbilt Concourse Building, New York	47,479 01	—	47,479 01
Yale Club Building, New York	51,027 31	—	51,027 31#
111 West End Avenue, New York	115,471 75	—	115,471 75
62-64 West End Avenue, New York	296,302 44	—	296,302 44
Land & Building, Leroy, Morton & West Streets, New York	—	681,516 20	681,516 20
Building, 30th St. & 10th Ave., New York	—	358,147 77	358,147 77
Building, 35th St. & 11th Ave., New York	—	688,592 65	688,592 65
Putnam Bridge across Harlem River, New York	—	250,000 00	250,000 00
Miscellaneous at New York	—	118,046 45	118,046 45
At Cleveland, Ohio	—	763,329 03	763,329 03
At Chicago, Illinois	—	791,563 99	791,563 99
Keating to Browns, Pennsylvania-Beech Creek Extension Railroad	—	609,780 35	609,780 35
At Tonawanda, New York	—	389,873 60	389,873 60
Adjacent to Newark Ave. Freight Terminal, Jersey City, New Jersey	—	270,298 73	270,298 73
At Collinwood, Ohio	—	71,859 75	71,859 75
At Sundry other locations	—	834,957 94	834,957 94
Stock Yards, Buffalo, New York	—	1,419,501 19	1,419,501 19
Elevator, Schneider, Indiana	—	111,019 28	111,019 28
Elevator, Indiana Harbor, Indiana	—	393,404 70	393,404 70
Commercial tracks and sidings	—	46,973 90	46,973 90
Special Assessments, paving and construction of highways and sewers	—	168,834 73	168,834 73
Total	$5,237,328 25	$33,128,592 75	$38,365,921 00

See also "Other investments—advances", page 22

INVESTMENTS IN AFFILIATED COMPANIES—STOCKS	Total outstanding	HELD BY THIS COMPANY Shares	Par Value	Ledger Value
Battle Creek & Sturgis Railway Co	$500,000 00	825	$82,500 00	$1 00
Beech Creek Railroad Co	6,000,000 00	25	1,250 00	1,125 00
Beech Creek Extension Railroad Co	5,179,000 00	51,790	5,179,000 00	488,277 51
Boston Terminal Company	500,000 00	1,000	100,000 00	100,000 00
Canadian Niagara Bridge Company	750,000 00	5,464	546,400 00*	54,640 00
Canadian Pacific Car & Passenger Transfer Co Ltd	400,000 00	2,000	200,000 00	200,000 00
Central Greyhound Lines, Incorporated	200,000 shares	100,000	No par value	39,415 53
Cherry Tree & Dixonville Railroad Co	500,000 00	5,000	250,000 00	250,000 00
Chicago Kalamazoo & Saginaw Railway Co	450,000 00	1,800	180,000 00	1,800 00
Chicago River & Indiana Railroad Co	500,000 00	5,000	500,000 00	750,000 00
Clearfield Bituminous Coal Corporation	825,000 00	16,500	825,000 00	82,200 00
Cleveland Cincinnati Chicago & St Louis Ry Co common	47,028,800 00	463,022 33†	46,302,233 33†	43,703,245 37
Cleveland Cincinnati Chicago & St Louis Ry Co preferred	9,998,500 00	85,166	8,516,600 00	8,514,980 52
Cleveland Union Terminals Company	10,000 00	71	7,100 00	7,100 00
Danville and Indiana Harbor Railroad Co	2,500 00	25	2,500 00	1 00
Despatch Shops, Incorporated	30,000 shares	30,000	No par value	3,000,000 00
Detroit Terminal Railroad Co	2,000,000 00	5,000	500,000 00	500,000 00
Detroit Toledo & Milwaukee Railroad Co	1,060,000 00	5,300	530,000 00	1 00
Federal Valley Railroad Co	447,800 00	4,478	447,800 00	163,672 32
Fort Wayne Union Railway Co	80,000 00	200	20,000 00	20,000 00
Hudson River Bridge Company at Albany	500,000 00	5,000	500,000 00	500,000 00
Hudson River Connecting Railroad Corporation	250,000 00	2,500	250,000 00	251,033 34
Indiana Harbor Belt Railroad Co	7,600,000 00	22,800	2,280,000 00	2,280,000 00
Jefferson Coal Company	1,500,000 00	7,650	765,000 00	115,468 40
Lake Erie Alliance & Wheeling Railroad Co	3,000,000 00	30,000	3,000,000 00	4,061,796 73
Lake Erie & Pittsburg Railway Co	4,300,000 00	21,500	2,150,000 00	2,150,000 00
Lansing Manufacturers Railroad	100,000 00	500	50,000 00	50,000 00
Lansing Transit Railway Co	2,000 00	10	1,000 00	1,000 00
Mahoning Coal Railroad Co common	1,500,000 00	18,532	926,600 00	826,685 00
		Carried forward	$74,112,983 33	$68,112,442 72

* First installment of ten per cent paid
†Includes $133.33 scrip

INVESTMENTS (continued)

	Total outstanding	HELD BY THIS COMPANY		
		Shares	Par value	Ledger value
INVESTMENTS IN AFFILIATED COMPANIES—STOCKS (*concluded*)				
		Brought forward	$74,112,983 33	$68,112,442 72
Mahoning Coal Railroad Co preferred	$661,367 00	10,453	522,650 00	524,272 50
Mahoning State Line Railroad Co	100,000 00	38	1,900 00	1,900 00
Merchants Despatch Transportation Corporation	52,500 shares	52,500	No par value	1,200,000 00
Michigan Central Railroad Co	18,736,400 00	186,313	18,631,300 00	30,776,453 45
New Jersey Junction Railroad Co	100,000 00	1,000	100,000 00	100,000 00
New York and Fort Lee Railroad Co	1,000,000 00	10,000	1,000,000 00	100 00
New York & Harlem Railroad Co common	8,656,050 00	114,298	5,714,900 00	19,868,710 91
New York & Harlem Railroad Co preferred	1,343,950 00	23,112	1,155,600 00	4,038,703 00
New York State Realty & Terminal Company	100,000 00	1,000	100,000 00	100,000 00
Nicholas Fayette & Greenbrier Railroad Co	7,471,800 00	37,359	3,735,900 00	3,921,451 10
Ottawa & New York Railway Co	1,000,000 00	10,000	1,000,000 00	100 00
Owasco River Railway	30,000 00	150	15,000 00	37,500 00
Pittsburgh & Lake Erie Railroad Co	43,182,500 00	433,984	21,699,200 00	18,819,826 23
Pittsburgh McKeesport & Youghiogheny Railroad Co	3,959,650 00	39,596	1,979,800 00	2,443,414 89
Railway Express Agency, Inc	1,000 shares	96	No par value	9,600 00
Rutland Railroad Co preferred	8,962,500 00	23,520½	2,352,050 00	1,999,242 50
Securities Corporation of the New York Central Railroad	1,000 shares	1,000	No par value	100,000 00
St Lawrence & Adirondack Railway Co	1,615,000 00	16,150	1,615,000 00	1,213,662 00
Toledo & Ohio Central Railway Co common	5,846,300 00	58,463	5,846,300 00	3,419,354 67
Toledo & Ohio Central Railway Co preferred	3,701,400 00	37,014	3,701,400 00	3,701,400 00
Toledo Terminal Railroad Co	4,000,000 00	3,872	387,200 00	1 00
Toronto, Hamilton & Buffalo Navigation Co	200,000 00	743⅑	74,300 00	63,603 00
Toronto Hamilton & Buffalo Railway Co	5,415,000 00	20,120	2,012,000 00	702,680 00
Trestle Realty Corporation	500,000 00	2,500	250,000 00	197,729 51
Troy Union Railroad Co	30,000 00	150	15,000 00	185,000 00
West Shore Railroad Co	10,000,000 00	100,000	10,000,000 00	1,000 00
Total			$156,022,483 33	$161,538,147 48
INVESTMENTS IN AFFILIATED COMPANIES—BONDS†				
Beech Creek Railroad Co first mortgage 4%, matured July 1, 1936	$5,000,000 00		$5,000,000 00	$5,001,164 24
Beech Creek Railroad Co second mortgage 5%, matured July 1, 1936	1,000,000 00		1,000,000 00	1,001,003 14
Beech Creek Extension Railroad Co consolidated mortgage 4%, matures April 1, 1955	3,964,000 00		3,964,000 00	3,963,000 00
Cherry Tree & Dixonville Railroad Co first mortgage, series A 4½%, matures Aug. 1, 1966	1,210,000 00		605,000 00	605,000 00
Fort Wayne Union Railway Co general mortgage 6%, matures Sept. 1, 1974	96,000 00		24,000 00	24,000 00
Kalamazoo Allegan & Grand Rapids Railroad Co first mortgage 5%, matures July 1, 1968	840,000 00		840,000 00	840,000 00
Lake Erie & Pittsburg Railway Co first mortgage 4½ and 5%, matures July 1, 1965	3,620,000 00		1,810,000 00	1,810,000 00
Michigan Central Railroad Co refunding and improvement mortgage, series A, 4½%, matures Jan. 1, 1947	6,171,000 00		6,171,000 00	6,171,000 00
Ottawa & New York Railway Co first mortgage 4%, matured Nov. 1, 1917	825,000 00		825,000 00	100 00
Ottawa & New York Railway Co second mortgage 6%, matured July 1, 1912	275,000 00		275,000 00	100 00
Peoria and Eastern Railway Co first consolidated mortgage 4%, matures Apr. 1, 1940	8,376,000 00		100,000 00	71,500 00
Toledo & Ohio Central Railway Co first preference income St Mary's Division 4%, matures Feb. 1, 1951	9,000 00		5,000 00	2,700 00
Webster Coal & Coke Company consolidated first mortgage 5%, matures Mar. 1, 1942	1,670,000 00		36,000 00	33,660 00
Total			$20,655,000 00	$19,523,227 38
INVESTMENTS IN AFFILIATED COMPANIES—NOTES				
Hudson River Connecting Railroad Corporation			$24,550,100 42	$24,550,100 42
Lake Erie Alliance & Wheeling Railroad Co			490,168 95	1 00
Lake Erie & Pittsburg Railway Co			25,000 00	25,000 00
New Jersey Junction Railroad Co			504,959 90	504,959 90
New York & Harlem Railroad Co			145,000 00	145,000 00
Pittsburgh McKeesport & Youghiogheny Railroad Co			300,000 00	300,000 00
Toledo & Ohio Central Railway Co			9,076,198 17	9,054,120 16
Troy Union Railroad Co			114,377 01	1 00
Total			$35,205,804 45	$34,579,182 48

† Does not include investments held in "Insurance and Other Funds"

INVESTMENTS (continued)

INVESTMENTS IN AFFILIATED COMPANIES—ADVANCES	HELD BY THIS COMPANY Par Value	Ledger Value
Boston Terminal Company	$56,067 27	$56,067 27
Canada Southern Railway Co	1,185,615 77	1,185,615 77
Canadian Niagara Bridge Co	43,810 60	43,810 60
Central Indiana Railway Co	10,642 83	10,642 83
Cherry Tree & Dixonville Railroad Co	200,433 19	200,433 19
Clearfield Bituminous Coal Corporation	2,138,984 50	2,138,984 50
Cleveland Cincinnati Chicago & St Louis Railway Co	66,081,602 72	66,081,602 72
Cleveland Union Terminals Co	27,635,755 96	27,635,755 96
Dayton Union Railway Co	591,586 85	591,586 85
Detroit Manufacturers Railroad Co	13,115 50	13,115 50
Detroit, Toledo & Milwaukee Railroad Co.	45,824 29	45,824 29
Federal Valley Railroad Co	26,056 92	26,056 92
Hudson River Connecting Railroad Corporation	70,722 28	70,722 28
Kankakee & Seneca Railroad Co	149 31	149 31
Lansing Manufacturers Railroad	180,867 14	180,867 14
Lansing Transit Railway Co	9,762 50	9,762 50
Lake Erie & Pittsburg Railway Co	232,242 73	232,242 73
Louisville and Jeffersonville Bridge and Railroad Co	50,000 00	50,000 00
Mackinac Transportation Co	362 91	362 91
Mahoning State Line Railroad Co	34 39	34 39
New York & Harlem Railroad Co	4,020,472 79	4,020,472 79
New York State Realty & Terminal Co	34,341,090 93	34,341,090 93
Niagara River Bridge Company	79 60	79 60
Nicholas Fayette and Greenbrier Railroad Co	262,695 11	262,695 11
Owasco River Railway	4,058 40	4,058 40
Peoria & Eastern Railway Co	1,305,422 73	1,305,422 73
Pittsburgh McKeesport & Youghiogheny Railroad Co	15,700,428 67	15,700,428 67
Railroad Credit Corporation	2,000,095 55	2,000,095 55
Railway Express Agency Incorporated	1,677,142 03	1,677,142 03
Securities Corporation of the New York Central Railroad	31,602,353 53	31,602,353 53
Toledo & Ohio Central Railway Co	9,231,723 10	9,231,723 10
Trestle Realty Corporation	94,750 00	94,750 00
Union Depot Co, Columbus, Ohio	174,435 00	174,435 00
Total	$198,988,385 10	$198,988,385 10

OTHER INVESTMENTS—STOCKS	Shares		
Kansas Oklahoma & Gulf Railway Co preferred	4·98	$498 16	$498 16
New York State Railways first preferred	6	600 00	600 00
Pittsfield & North Adams Railroad Co	722	72,200 00	72,200 00
Reading Company common	262,900	13,145,000 00	10,073,149 42
Reading Company first preferred	136,800	6,840,000 00	5,491,471 96
Reading Company second preferred	300,300	15,015,000 00	10,348,452 22
Syracuse Northern Electric Railway Incorporated	118·2	11,823 02	11,823 02
Sundry companies	2,860·7495	63,355 12	21,539 15
Total		$35,148,476 30	$26,019,733 93

OTHER INVESTMENTS—BONDS		
Boston and Albany Railroad Company 12 year 6% refunding bonds of 1934, matures May 1, 1946	$4,500,000 00	$4,500,000 00
Boston and Albany Railroad Company Main Line first mortgage 4½% bonds, series B, matures July 1, 1948	3,015,000 00	3,015,000 00
Cortlandt Water Co first mortgage 5%, matures June 1, 1940	290,000 00	203,000 00
Hotel Roosevelt 6% debenture bonds, matures April 16, 1944	792,659 67	792,659 67
Mortgages on real estate	600 00	600 00
New York New Haven & Hartford Railroad Co convertible debentures 6%, matures Jan. 15, 1948	114,000 00	112,212 20
New York World's Fair of 1939, Incorporated, 4%, matures Jan. 1, 1941	400,000 00	400,000 00
Sundry companies	28,521 81	24,257 53
Total	$9,140,781 48	$9,047,729 40

INVESTMENTS (concluded)

	HELD BY THIS COMPANY	
OTHER INVESTMENTS—NOTES	Par Value	Ledger Value
Arnold Print Works	$523 22	$523 22
Lester F. Blair	68 00	68 00
Cairo Association of Commerce	2,946 00	2,946 00
Cleveland & Youngstown Railway Co	854,860 04	854,860 04
Consolidated Cement Corporation	180 00	900 00
Pratt Industries, Inc	5,000 00	5,000 00
Sahara Coal Co	113,906 52	113,906 52
Schenectady Railway Co	264,150 00	1 00
Union Properties, Inc.	92,606 88	92,606 88
Western Reserve University	60,000 00	60,000 00
Total	$1,394,240 66	$1,130,811 66
OTHER INVESTMENTS—ADVANCES		
Boston & Albany Railroad Co	$2,525,076 64	$2,525,076 64
Barclay Park Corporation	1,512,682 62	1,512,682 62#
Hotel Waldorf Astoria Corporation	5,000,000 00	5,000,000 00#
New York New Haven & Hartford Railroad Co	915,457 01	915,457 01
New York United Hotels, Inc (Hotel Roosevelt)	1,265,400 00	1,265,400 00#
Yale Leasing Corporation	39,169 77	39,169 77#
33 East 48th Street Realty Corporation	210,225 91	210,225 91#
379 Madison Avenue, Inc	142,500 00	142,500 00#
300 Park Avenue Company, Inc	1,291,162 99	1,291,162 99#
Total	$12,901,674 94	$12,901,674 94
OTHER INVESTMENTS—MISCELLANEOUS		
Trustees—First National Bank, Detroit	$50,602 21	$50,602 21
Geo. F. Alger Co—Land Contract	8,761 19	8,761 19
Stanley L. Skidmore—Land Contract	4,563 02	4,563 02
Lewis Levison	13,407 40	13,407 40
Memberships in commercial exchanges	6,580 00	6,580 00
The City Savings Holding Company (Alliance, Ohio)	17,424 69	17,424 69
St. Joseph Valley Bank, Elkhart, Indiana	5,952 77	5,952 77
Guardian Depositors Corporation, Detroit, Michigan	1,321 51	1,321 51
Morrow Steel Co.	9,961 41	9,961 41
City of Schenectady—Certificate of indebtedness	6,453 34	6,453 34
Depositors and Creditors Trust—Detroit, Michigan	3,929 21	3,929 21
Other items	3,842 20	3,842 20
Total	$132,798 95	$132,798 95

See also Investments in miscellaneous physical property, pages 18 and 19.

Summary of Investments

Road and equipment					$1,079,978,917 54
Improvements on leased or controlled railway property					145,424,404 34
Sinking Funds					180,678 02
Deposits in lieu of mortgaged property sold					107,987 11
Miscellaneous physical property					38,365,921 00
Investments in affiliated companies—	Stocks, par value	$156,022,483 33	ledger value	$161,538,147 48	
	Bonds, par value	20,655,000 00	ledger value	19,523,227 38	
	Notes, par value	35,205,804 45	ledger value	34,579,182 48	
	Advances	198,988,385 10	ledger value	198,988,385 10	414,628,942 44
Other investments—	Stocks, par value	$35,148,476 30	ledger value	$26,019,733 93	
	Bonds, par value	9,140,781 48	ledger value	9,047,729 40	
	Notes, par value	1,394,240 66	ledger value	1,130,811 66	
	Advances	12,901,674 94	ledger value	12,901,674 94	
	Miscellaneous	132,798 95	ledger value	132,798 95	49,232,748 88
			Total investments		$1,727,919,599 33

The New York Central Railroad Company

EXPENDITURES FOR ADDITIONS AND BETTERMENTS ON OWNED PROPERTY

during 1938

ROAD	EXPENDITURES	RETIREMENTS	NET CREDIT
Engineering	$271,979 71	$46,150 38	$225,829 33#
Land for transportation purposes	1,600,237 04	830,701 77#	2,430,938 81#
Other right-of-way expenditures	9,095 10	—	9,095 10#
Grading	81,399 21	87,021 45	5,622 24
Tunnels and subways	17,722 00	—	17,722 00#
Bridges, trestles and culverts	201,275 98	49,531 10	151,744 88#
Elevated structures	41,041 70	—	41,041 70#
Ties	56,057 55	247,776 07	191,718 52
Rails	122,107 39	296,932 04	174,824 65
Other track material	352,397 65	215,884 54	136,513 11#
Ballast	22,395 01	183,760 06	161,365 05
Track laying and surfacing	97,400 81	213,091 36	115,690 55
Fences, snow sheds and signs	18,462 20	1,122 95	17,339 25#
Crossings and signs	44,093 55*	18,277 15	62,370 70
Station and office buildings	23,517 91*	253,165 04	276,682 95
Roadway buildings	18,169 15	36,044 83	17,875 68
Water stations	28,906 12	28,761 21	144 91#
Fuel stations	19,336 18	13,661 63	5,674 55#
Shops and enginehouses	103,745 96	522,936 38	419,190 42
Wharves and Docks	—	2,499 78	2,499 78
Coal and ore wharves	1,527 92	—	1,527 92#
Telegraph and telephone lines	6,092 55	12,553 78	6,461 23
Signals and interlockers	160,194 35	125,749 08	34,445 27#
Power plants	476 41	32,967 04	32,490 63
Power transmission systems	61,096 66	15,256 34	45,840 32#
Miscellaneous structures	2,600 34	2,992 54	392 20
Roadway machines	1,110 22	14,934 36#	16,044 58#
Roadway small tools	347 24	—	347 24#
Public improvements—construction	380,240 32	93,619 02	286,621 30#
Shop machinery	9,103 76*	77,845 07	86,948 83
Power plant machinery	64,707 94	109,991 44	45,283 50
Organization expenses	44	—	44#
Interest during construction	26,061 82	73,935 23	47,873 41
Totals—Road	$3,689,469 75	$1,915,889 38	$1,773,580 37#
EQUIPMENT†			
Steam locomotives	$1,694,441 04	$1,315,464 54	$378,976 50#
Other locomotives	154,863 83	725 16	154,138 67#
Freight-train cars	37,138 93	12,007,360 37	11,970,221 44
Passenger-train cars	1,023,445 39	512,287 64	511,157 75#
Floating equipment	303 06	32,000 00	31,696 94
Work equipment	122,315 71	264,677 95	142,362 24
Miscellaneous equipment	23,567 21	7,204 80	16,362 41#
Totals—Equipment	$3,056,075 17	$14,139,720 46	$11,083,645 29
Decrease for the year			$9,310,064 92
Investment in road and equipment as of December 31, 1937			1,089,288,982 46
Investment in road and equipment as of December 31, 1938			$1,079,978,917 54

* Credit
\# Debit
† Including trust equipment

EXPENDITURES FOR ADDITIONS AND BETTERMENTS ON OWNED PROPERTY (continued)

Analysis of changes in Equipment Investment account

EQUIPMENT ADDED, including betterments	TRUST	OWNED	TOTAL	TRANSFERRED TO OWNED EQUIPMENT ON MATURITY OF TRUSTS
Steam locomotives	$1,496,417 29	$198,023 75	$1,694,441 04	$321,353 33
Other locomotives	1,622 37	153,241 46	154,863 83	—
Freight-train cars	476 32	36,662 61	37,138 93	5,067,756 31
Passenger-train cars	156,516 42	866,928 97	1,023,445 39	3,898,149 03
Work equipment	—	122,315 71	122,315 71	—
Floating equipment	—	303 06	303 06	—
Miscellaneous equipment	—	23,567 21	23,567 21	—
TOTALS	$1,655,032 40	$1,401,042 77	$3,056,075 17	$9,287,258 67
EQUIPMENT RETIRED				
Steam locomotives	—	$1,315,464 54	$1,315,464 54	$321,353 33
Other locomotives	—	725 16	725 16	—
Freight-train cars	$11,760 51	11,995,599 86	12,007,360 37	5,067,756 31
Passenger-train cars	24,732 58	487,555 06	512,287 64	3,898,149 03
Work equipment	—	264,677 95	264,677 95	—
Floating equipment	—	32,000 00	32,000 00	—
Miscellaneous equipment	—	7,204 80	7,204 80	—
TOTALS	$36,493 09	$14,103,227 37	$14,139,720 46	$9,287,258 67
		Net decrease in trust equipment		$7,668,719 36
		Net decrease in owned equipment		3,414,925 93
		Net decrease in equipment investment		$11,083,645 29

EXPENDITURES FOR ADDITIONS AND BETTERMENTS ON LEASED RAILWAY PROPERTY

ROAD	EXPENDITURES	RETIREMENTS	NET CREDIT
Engineering	$32,553 97	$19,023 49	$13,530 48#
Land for transportation purposes	227,655 55	919,502 31	691,846 76
Other right-of-way expenditures	3,157 71	—	3,157 71#
Grading	18,654 58	101,395 13	82,740 55
Tunnels and subways	2,076 92	—	2,076 92#
Bridges, trestles and culverts	131,980 98	67,889 72	64,091 26#
Elevated structures	2 41	—	2 41#
Ties	35,020 27	149,883 11	114,862 84
Rails	84,203 69	125,572 04	41,368 35
Other track material	313,682 11	104,005 92	209,676 19#
Ballast	11,591 25	203,702 70	192,111 45
Track laying and surfacing	34,120 27	119,003 82	84,883 55
Fences, snow sheds and signs	10,989 04	1,119 37	9,869 67#
Crossings and signs	41,060 40*	10,479 23	51,539 63
Station and office buildings	645,786 89	490,806 69	154,980 20#
Roadway buildings	5,056 61	17,762 10	12,705 49
Water stations	19,928 39	74,008 52	54,080 13
Carried forward	$1,535,400 24	$2,404,154 15	$868,753 91

Debit * Credit

The New York Central Railroad Company

EXPENDITURES FOR ADDITIONS AND BETTERMENTS ON LEASED RAILWAY PROPERTY (continued)

ROAD (continued)	EXPENDITURES	RETIREMENTS	NET CREDIT
Brought forward	$1,535,400 24	$2,404,154 15	$868,753 91
Fuel stations	5,106 59	11,444 99	6,338 40
Shops and enginehouses	32,578 49	133,995 75	101,417 26
Grain elevators	35 37*	—	35 37
Storage warehouses	866 66*	—	866 66
Wharves and docks	301 04	4,869 66	4,568 62
Coal and ore wharves	7,959 18	—	7,959 18#
Telegraph and telephone lines	11,018 83	5,521 87	5,496 96#
Signals and interlockers	82,151 40	152,710 33	70,558 93
Power plants	2,005 84	—	2,005 84#
Power transmission systems	7,987 08	18,117 87	10,130 79
Miscellaneous structures	25 88*	77 44	103 32
Roadway machines	4,321 27	24,657 26	20,335 99
Public improvements—construction	265,488 61	557 77	264,930 84#
Revenues and operating expenses during construction	27 91*	—	27 91
Other expenditures—road	3,105 00*	—	3,105 00
Shop machinery	38,936 88	74,394 95	35,458 07
Power plant machinery	86,943 74	20,115 56	66,828 18#
Unapplied construction material and supplies	28,239 49	—	28,239 49#
TOTAL ROAD	$2,104,377 86	$2,850,617 60	$746,239 74
GENERAL EXPENDITURES			
Taxes	$211 24*	—	$211 24
Interest during construction	1,835 16	$75,664 71	73,829 55
TOTAL GENERAL	$1,623 92	$75,664 71	$74,040 79

Net decrease in investment for improvements on leased railway property for 1938	$820,280 53
Investment for improvements on leased railway property as of December 31, 1937	146,244,684 87
Investment for improvements on leased railway property as of December 31, 1938	$145,424,404 34

The expenditures for and retirements of improvements to leased or controlled railway property, tabulated by accounts on the preceding pages were made to the properties of the following companies:

Bailey Run Sugar Creek & Athens Railway	$2,215 85*
Beech Creek Railroad	124,509 05*
Beech Creek Extension Railroad	6,555 99
Boston & Albany Railroad	90,811 67*
Chicago, Kalamazoo & Saginaw Railway	33,096 25*
Cincinnati, Lafayette & Chicago Railroad	101,486 28*
Cincinnati Northern Railroad	3,051 32
Cincinnati, Sandusky & Cleveland Railroad	89,628 99
Cleveland, Cincinnati, Chicago & St Louis Railway	110,167 31
Columbus, Hope & Greensburg Railroad	722 24
Detroit, Hillsdale & South Western Railroad	14,122 05*
Detroit Manufacturers Railroad	141 01
Detroit River Tunnel	1,056 95*
Detroit, Toledo & Milwaukee Railroad	251 91*
Erie & Kalamazoo Railroad	671 58
Evansville, Indianapolis & Terre Haute Railway	89,035 73*
Evansville, Mt. Carmel & Northern Railroad	100,654 84*
Fort Wayne & Jackson Railroad	2,053 91*
Grand Central Terminal Improvement	844,750 32*
Carried forward	$1,193,106 37*

Debit
* Credit

EXPENDITURES FOR ADDITIONS AND BETTERMENTS (concluded)

	Brought forward	$1,193,106 37*
Hudson River Connecting Railroad		70,761 10*
Hudson River Bridge at Albany		243 77*
Improvements on leased piers		212,740 07*
Joliet & Northern Indiana Railroad		2,441 86*
Kalamazoo Allegan & Grand Rapids Railroad		43,013 39*
Kanawha & Michigan Railway		2,303,438 25*
Lake Erie Alliance & Wheeling Railroad		5,326 56
Mahoning Coal Railroad		3,396 39
Mahoning & Shenango Valley Railroad		112 82
Michigan Central Railroad		368,750 26
New Jersey Junction Railroad		4,742 20
New York & Harlem Railroad		236,002 43
New York State Realty and Terminal Company property		621 49
New York Stock Yards—West Side		352,482 57
Ottawa & New York Railway		1,777 39
Pittsfield & North Adams Railroad		198 75
Shenango Valley Railroad		1,362 32
St. Joseph South Bend & Southern Railroad		491 27*
St Lawrence & Adirondack Railway		7,835 71*
Toledo & Ohio Central Railway		2,617,650 17
Troy & Greenbush Railroad		287 15*
Vernon Greensburg & Rushville Railroad		49,153 51*
Wallkill Valley Railroad		2,902 34
Ware River Railroad		25,707 36*
West Shore Railroad		287,127 17*
Zanesville & Western Railway		219,259 24*
Net Decrease for year		$820,280 53

*Credit

Expenditures on Miscellaneous Physical Property

320-330 Park Avenue Building, New York		$483,473 56
Building, 30th Street and 10th Avenue, New York		302,916 11
Land, North Detroit, Michigan		47,255 76
Building, 35th Street and 11th Avenue, New York		31,294 80
299 Park Avenue Building, New York		22,508 76
Sundry Items		48,796 47
		$936,245 46
Less		
Land and Buildings, Cleveland, Ohio	$38,099 22	
Commercial tracks and sidings	21,780 74	
Stock Yards, Buffalo, New York	18,520 47	
Sundry Items	16,961 95	95,362 38
Increase for the Year 1938		$840,883 08
Investment in Miscellaneous Physical Property as of Dec. 31, 1937		37,525,037 92
Total investment to December 31, 1938		$38,365,921 00

The New York Central Railroad Company

CAPITALIZATION

DECEMBER 31, 1938

Capital stock

Number of shares of no par value authorized	10,000,000
Number of shares issued	6,447,055
Consolidation certificates of 1869 not converted	103·95
Consolidation certificate of 1869 held in treasury	·05
Certificates of consolidating companies 1913 and 1914 not converted	252·6625
Scrip under consolidation of 1914 held in treasury	1·1350
Scrip in exchange The C C C & St L Ry Co common stock	·60
Total outstanding	6,447,413·3975

Funded Debt

MORTGAGE BONDS	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on the first day of
Kalamazoo & White Pigeon R R Co first ③	1889	Jan. 1, 1940	$400,000 00	$400,000 00	5%	July and Jan
N Y C & H R R R Co gold debentures ③ *	1912	Jan. 1, 1942	9,188,000 00	9,188,000 00	4%	July and Jan
Gouverneur & Oswegatchie R R Co first ③	1892	June 1, 1942	300,000 00	300,000 00	5%	Dec and June
Indiana Illinois & Iowa R R Co first ③	1900	July 1, 1950	4,850,000 00	4,850,000 00	4%	Jan and July
Chicago Indiana & Southern R R Co 50 year ③	1906	Jan. 1, 1956	15,150,000 00	15,150,000 00	4%	July and Jan
Jamestown Franklin & Clearfield R R Co first ③	1909	June 1, 1959	11,000,000 00	11,000,000 00	4%	Dec and June
NYC&HRRRCo—Spuyten Duyvil & Pt Morris first ③	1909	June 1, 1959	2,500,000 00	2,500,000 00	3½%	Dec and June
Cleveland Short Line Railway Co first ③	1911	Apl. 1, 1961	11,800,000 00	11,800,000 00	4½%	Oct and Apl
Carthage & Adirondack Railway Co first ③	1892	Dec. 1, 1981	1,100,000 00	1,100,000 00	4%	June and Dec
Sturgis Goshen & St Louis Railway Co first ③	1889	Dec. 1, 1989	322,000 00	322,000 00	3%	June and Dec
Mohawk & Malone Railway Co first ③	1892	Sept. 1, 1991	2,500,000 00	2,500,000 00	4%	Mch and Sept
New York & Putnam R R Co first consolidated ③	1894	Oct. 1, 1993	3,987,000 00	3,987,000 00	4%	Apl and Oct
Lake Shore & Michigan Southern Ry Co gold mtge ⑩	1897	June 1, 1997	50,000,000 00	50,000,000 00	3½%	Dec and June
N Y C & H R R R Co gold mortgage ③	1897	July 1, 1997	100,000,000 00	100,000,000 00	3½%	Jan and July
N Y C & H R R R Co—Lake Shore coll gold ③ *‡	1898	Feb. 1, 1998	90,578,400 00	21,262,000 00	3½%	Aug and Feb
N Y C & H R R R Co—Mich Central coll gold ③ *	1898	Feb. 1, 1998	21,550,000 00	19,336,000 00	3½%	Aug and Feb
N Y C R R Co consolidation mtge—series A ① ‡	1913	Feb. 1, 1998	70,000,000 00	69,316,000 00	4%	Aug and Feb
N Y C R R Co consolidation mtge—series C ①	1934	Feb. 1, 1998	48,000,000 00	48,000,000 00	4%	Feb and Aug
Mohawk & Malone Railway Co consolidated ③	1902	Mch. 1, 2002	3,900,000 00	3,900,000 00	3½%	Sept and Mch
N Y C R R Co ref and imp—series A ③	1913	Oct. 1, 2013	115,000,000 00	115,000,000 00	4½%	Apl and Oct
N Y C R R Co ref and imp—series B ③	1920	Oct. 1, 2013	38,494,000 00	4,494,000 00	6%	Apl and Oct
N Y C R R Co ref and imp—series C ③	1922	Oct. 1, 2013	260,000,000 00	260,000,000 00	5%	Apl and Oct
			Total	$754,405,000 00		

Less securities reacquired or nominally issued and pledged or otherwise held by or for the company:

N Y C R R Co refunding and improvement mtge bonds—series B	$4,494,000 00	
N Y C R R Co refunding and improvement mtge bonds—series C	183,000,000 00	
N Y C & H R R R Co gold mtge bonds	6,000,000 00	
N Y C R R Co consolidation mtge bonds—series C	48,000,000 00	
N Y C & H R R R Co—Lake Shore collateral gold bonds †	10,000 00	
New York & Putnam R R Co—First consolidated	5,000 00	241,509,000 00
Total mortgage bonds actually outstanding		$512,896,000 00

DEBENTURE BONDS						
N Y C & H R R R Co	1900	July 1, 2000	$5,500,000 00	$5,500,000 00	3½%	Jan and July

†Deposited with City of New York and included in Balance Sheet account "Insurance and other funds"
*Secured by N Y C & H R R R Co consolidation mortgage dated June 20, 1913
‡Additionally secured by N Y C R R Co mortgage dated January 15, 1915

CAPITALIZATION (concluded)

Funded debt (concluded)

COLLATERAL TRUST BONDS	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on
N Y C R R Co ten-year secured sinking fund ⑬	1936	Apr. 1, 1946	$40,000,000 00	$37,041,000 00	3¾%	Apr. 1 and Oct. 1
N Y C R R Co serial secured notes ⑭	1936	Apr. 1, 1937-41	15,000,000 00	9,000,000 00	2—2.6%	Apr. 1 and Oct. 1
N Y C R R Co fifteen-year secured bonds ⑤	1937	May 1, 1952	41,097,000 00	40,033,200 00	3¼%	May 1 and Nov. 1
National City Bank of New York Secured Notes ⑮	1938	Sept. 12, 1941	5,000,000 00	5,000,000 00	2%	Mch. 12 and Sept. 12
Total collateral trust bonds actually outstanding				$91,074,200 00		
EQUIPMENT TRUST OBLIGATIONS						
Equipment trust certificates (N Y C Lines) ①	1924	June 1, 1939	$14,745,000 00	$983,000 00	5%	Dec. 1 and June 1
Equipment trust certificates (N Y C Lines) ②	1924	Sept. 15, 1939	12,720,000 00	848,000 00	4½%	Mch. 15, Sept. 15
Equipment trust certificates (N Y C Lines) ②	1925	May 15, 1940	11,010,000 00	1,468,000 00	4½%	Nov. 15, May 15
Equipment trust certificates (N Y C R R) ③	1929	Apl. 15, 1944	16,500,000 00	6,600,000 00	4½%	Apl. 15, Oct. 15
Equipment trust certificates (N Y C R R) ③	1929	Dec. 1, 1944	11,175,000 00	4,470,000 00	4½%	June 1 and Dec. 1
Equipment trust certificates (N Y C R R) ⑤	1930	May 15, 1945	14,059,000 00	6,664,000 00	4½%	May 15, Nov. 15
Equipment trust certificates (N Y C R R) ⑯	1937	Mch. 15, 1952	4,290,000 00	4,004,000 00	2¼%	Mch. 15, Sept. 15
Total equipment trust obligations actually outstanding				$25,037,000 00*		
Total funded debt actually outstanding				$634,507,200 00		

* Includes $3,299,000 as The New York Central Railroad Company's proportion of $6,067,000 outstanding New York Central Lines equipment trust certificates for all of which it and various lessor or controlled companies are jointly and severally liable.

MISCELLANEOUS LOANS AND AMOUNTS PAYABLE

State of New York	Amount payable over a period of years for a proportion of the cost of certain grade crossing eliminations	$26,577,697 52

TRUSTEES:

① Bankers Trust Company, New York

③ Central Union Trust Company of New York (now Central Hanover Bank and Trust Company)

④ American Exchange Irving Trust Company, New York (now Irving Trust Company)

⑤ Guaranty Trust Company of New York

⑥ Guaranty Trust Company of New York and John B. Cockrum of Indianapolis, Indiana (deceased)

⑦ Guaranty Trust Company of New York and William A. Wildhack of Montrose, California

⑧ Illinois Trust and Savings Bank (now Continental Illinois National Bank and Trust Company, of Chicago), and Joseph D. Oliver (deceased)

⑨ Metropolitan Trust Company (now Manufacturers Trust Company), New York

⑩ Irving Trust Company, New York

⑪ United States Trust Company, New York, and John H. Holliday, Indianapolis, Indiana

⑫ First National Bank of New York

⑬ Guaranteed by Reconstruction Finance Corporation

The New York Central Railroad Company

DETAIL OF RAILWAY OPERATING REVENUES

REVENUES FROM TRANSPORTATION	1938	1937	Increase	Decrease
Freight	$202,781,708 24	$257,541,451 58		$54,759,743 34
Passenger	60,313,893 49	66,405,563 93		6,091,670 44
Excess baggage	218,373 18	244,154 29		25,781 11
Parlor and chair car	15,183 18	19,498 70		4,315 52
Mail	11,055,621 83	11,398,842 99		343,221 16
Express	5,508,096 39	7,341,131 74		1,833,035 35
Other passenger train	1,085,639 13	1,330,527 59		244,888 46
Milk	2,057,443 12	2,241,827 28		184,384 16
Switching	4,637,221 85	5,870,613 65		1,233,391 80
Water transfers—freight	146,476 57	191,951 71		45,475 14
Water transfers—passenger	526,508 41	584,881 86		58,373 45
Water transfers—vehicle and live stock	420,249 08	612,039 60		191,790 52
Water transfers—other	49,742 86	41,817 51	$7,925 35	
Total	$288,816,157 33	$353,824,302 43		$65,008,145 10
INCIDENTAL AND JOINT FACILITY				
Dining and buffet	$3,179,508 76	$3,574,807 15		$395,298 39
Hotel and restaurant	1,549 00	1,457 00	$92 00	
Station, train and boat privileges	778,009 64	828,577 29		50,567 65
Parcel room	66,327 14	81,093 50		14,766 36
Storage—freight	335,942 38	316,322 42	19,619 96	
Storage—baggage	23,757 23	26,839 03		3,081 80
Demurrage	564,363 97	1,194,054 12		629,690 15
Telegraph and telephone	6,677 95	7,577 28		899 33
Grain elevator	28,468 79	53,121 05		24,652 26
Power	1,566,022 89	1,727,808 11		161,785 22
Rents of buildings and other property	1,582,245 29	1,640,056 34		57,811 05
Miscellaneous	1,728,388 84	2,910,195 21		1,181,806 37
Joint facility—Cr.	518,892 23	558,687 43		39,795 20
Joint facility—Dr.	515,116 23	518,771 90	3,655 67	
Total	$9,865,037 88	$12,401,824 03		$2,536,786 15
Total railway operating revenues	$298,681,195 21	$366,226,126 46		$67,544,931 25

DETAIL OF RAILWAY OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES				
Superintendence	$3,394,802 50	$3,212,183 67	$182,618 83	
Roadway maintenance	2,993,804 85	3,635,867 55		$642,062 70
Tunnels and subways	99,727 24	94,188 25	5,538 99	
Bridges, trestles and culverts	1,707,261 10	1,085,341 93	621,919 17	
Elevated structures	108,335 57	183,684 48		75,348 91
Ties	3,037,137 03	3,230,389 71		193,252 68
Rails	649,403 54	1,115,713 54		466,310 00
Other track material	2,167,588 40	2,955,110 98		787,522 58
Ballast	723,884 49	1,283,306 83		559,422 34
Track laying and surfacing	7,294,719 40	10,225,759 14		2,931,039 74
Fences, snowsheds and signs	220,112 80	274,815 43		54,702 63
Stations and office buildings	1,710,853 54	2,294,028 50		583,174 96
Roadway buildings	124,980 47	168,198 63		43,218 16
Water stations	389,025 36	467,178 73		78,153 37
Fuel stations	211,529 93	434,116 76		222,586 83
Shops and enginehouses	1,126,392 94	1,687,681 74		561,288 80
Grain elevators	14,463 74	18,963 05		4,499 31
Storage warehouses	827 95	3,652 93		2,824 98
Carried forward	$25,974,850 85	$32,370,181 85		

DETAIL OF RAILWAY OPERATING EXPENSES (continued)

MAINTENANCE OF WAY AND STRUCTURES (*concluded*)

	1938	1937	Increase	Decrease
Brought forward	$25,974,850 85	$32,370,181 85		
Wharves and docks	323,589 46	484,735 15		$161,145 69
Coal and ore wharves	202,053 09	233,552 44		31,499 35
Gas producing plants	115 10	32 26	$82 84	
Telegraph and telephone lines	331,419 23	392,806 59		61,387 36
Signals and interlockers	3,112,242 79	3,543,309 47		431,066 68
Power plants	59,321 34	92,336 28		33,014 94
Power transmission systems	596,492 42	636,213 22		39,720 80
Miscellaneous structures	10,890 24	18,509 54		7,619 30
Roadway machines	426,870 31	683,790 60		256,920 29
Small tools and supplies	521,187 70	773,045 84		251,858 14
Removing snow, ice and sand	798,780 96	691,179 12	107,601 84	
Public improvements—maintenance	489,530 81	624,056 86		134,526 05
Injuries to persons	293,292 84	338,019 39		44,726 55
Insurance	301,746 16	308,643 75		6,897 59
Stationery and printing	29,550 79	40,271 64		10,720 85
Other expenses	6,994 21	28,864 57		21,870 36
Maintaining joint tracks, yards and other facilities—Dr.	1,363,771 79	1,841,731 60		477,959 81
Maintaining joint tracks, yards and other facilities—Cr.	1,815,101 93	1,937,868 30	122,766 37	
Right of way expenses	26,707 19	21,178 88	5,528 31	
Total	$33,051,305 35	$41,184,590 75		$8,130,285 40

MAINTENANCE OF EQUIPMENT

Superintendence	$2,432,505 41	$2,497,085 95		$64,580 54
Shop machinery	1,050,755 48	1,904,119 17		853,363 69
Power plant machinery	363,924 21	430,972 65		67,048 44
Steam locomotives—repairs	19,918,167 54	28,093,617 45		8,175,449 91
Electric locomotives—repairs	618,926 40	701,110 10		82,183 70
Freight-train cars—repairs	10,626,338 77	17,445,164 30		6,818,825 53
Passenger-train cars—repairs	5,486,564 07	8,185,246 81		2,698,682 74
Floating equipment—repairs	917,941 16	1,106,178 11		188,236 95
Work equipment—repairs	536,049 81	1,057,971 90		521,922 09
Miscellaneous equipment—repairs	37,511 86	40,819 27		3,307 41
Equipment—retirements	335,990 03	501,011 99		165,021 96
Equipment—depreciation	16,106,282 74	16,111,418 97		5,136 23
Injuries to persons	422,714 94	518,341 19		95,626 25
Insurance	244,407 82	243,444 69	$963 13	
Stationery and printing	53,885 96	75,982 00		22,096 04
Other expenses	52,678 44	55,268 46		2,590 02
Maintaining joint equipment—Dr.	436,310 54	558,524 39		122,213 85
Maintaining joint equipment—Cr.	165,095 74	148,905 34		16,190 40
Total	$59,475,859 44	$79,377,372 06		$19,901,512 62

DETAIL OF RAILWAY OPERATING EXPENSES (continued)

TRAFFIC EXPENSES	1938	1937	Increase	Decrease
Superintendence	$2,897,997 54	$2,946,216 20		$48,218 66
Outside agencies	2,324,457 10	2,476,416 95		151,959 85
Advertising	535,776 04	580,543 66		44,767 62
Traffic associations	232,848 83	214,596 58	$18,252 25	
Fast freight lines	2,794 86	2,517 77	277 09	
Industrial and immigration bureaus	205,860 57	140,184 99	65,675 58	
Insurance	945 42	735 38	210 04	
Stationery and printing	417,854 89	414,977 12	2,877 77	
Other expenses	6,298 57	4,485 36	1,813 21	
Total	$6,624,833 82	$6,780,674 01		$155,840 19

TRANSPORTATION EXPENSES				
Superintendence	$3,625,477 78	$3,822,664 17		$197,186 39
Dispatching trains	908,476 02	899,216 38	$9,259 64	
Station employees	18,007,205 22	19,822,560 32		1,815,355 10
Weighing, inspection and demurrage bureaus	331,744 95	328,023 79	3,721 16	
Coal and ore wharves	584,310 24	1,108,535 97		524,225 73
Station supplies and expenses	1,601,826 64	1,834,804 62		232,977 98
Yardmasters and yard clerks	4,926,498 67	5,296,041 48		369,542 81
Yard conductors and brakemen	10,199,709 22	12,024,818 28		1,825,109 06
Yard switch and signal tenders	1,710,474 58	1,761,057 14		50,582 56
Yard enginemen	6,270,585 20	7,638,111 56		1,367,526 36
Yard motormen	685,446 24	597,630 92	87,815 32	
Yard switching fuel	2,476,432 86	3,137,680 85		661,247 99
Yard switching power produced	32,842 70	36,292 34		3,449 64
Yard switching power purchased	115,538 88	135,855 92		20,317 04
Water for yard locomotives	389,274 92	432,016 26		42,741 34
Lubricants for yard locomotives	68,147 20	78,850 85		10,703 65
Other supplies for yard locomotives	93,763 05	103,880 22		10,117 17
Enginehouse expenses—yard	1,659,399 90	1,805,792 18		146,392 28
Yard supplies and expenses	414,999 33	435,392 23		20,392 90
Operating joint yards and terminals—Dr.	3,603,565 42	3,990,382 14		386,816 72
Operating joint yards and terminals—Cr.	1,629,963 01	1,679,797 32	49,834 31	
Train enginemen	12,194,792 89	13,693,096 98		1,498,304 09
Train motormen	729,296 17	757,504 73		28,208 56
Train fuel	13,074,833 60	15,598,956 35		2,524,122 75
Train power produced	200,724 47	199,164 17	1,560 30	
Train power purchased	718,480 55	739,817 08		21,336 53
Water for train locomotives	1,572,968 79	1,709,379 62		136,410 83
Lubricants for train locomotives	533,353 75	582,157 88		48,804 13
Other supplies for train locomotives	209,194 22	236,956 70		27,762 48
Enginehouse expenses—train	3,500,331 89	3,785,065 59		284,733 70
Trainmen	15,132,053 82	16,433,995 06		1,301,941 24
Train supplies and expenses	6,173,948 80	7,202,796 03		1,028,847 23
Signal and interlocker operation	3,376,837 43	3,363,932 20	12,905 23	
Crossing protection	1,869,328 97	1,817,921 46	51,407 51	
Drawbridge operation	164,277 26	176,522 07		12,244 81
Telegraph and telephone operation	572,489 84	567,813 25	4,676 59	
Operating floating equipment	2,634,134 13	3,157,117 38		522,983 25
Stationery and printing	544,637 18	711,626 40		166,989 22
Other expenses	212,245 28	225,220 34		12,975 06
Operating joint tracks and facilities—Dr.	933,912 24	1,043,821 67		109,909 43
Operating joint tracks and facilities—Cr.	1,054,713 87	994,381 72		60,332 15
Insurance	165,102 16	171,358 88		6,256 72
Clearing wrecks	188,135 40	246,422 42		58,287 02
Damage to property	100,215 74	163,769 90		63,554 16
Damage to live stock on right of way	11,829 86	14,171 38		2,341 52
Loss and damage—freight	1,266,861 60	2,113,622 29		846,760 69
Loss and damage—baggage	20,892 69	19,680 66	1,212 03	
Injuries to persons	2,143,900 31	2,213,523 19		69,622 88
Total	$123,265,821 18	$139,560,842 26		$16,295,021 08

DETAIL OF RAILWAY OPERATING EXPENSES (concluded)

MISCELLANEOUS OPERATIONS	1938	1937	Increase	Decrease
Dining and buffet service	$4,519,780 43	$4,774,832 60		$255,052 17
Hotels and restaurants	1,688 02	1,666 70	$21 32	
Grain elevators	89,885 72	113,507 21		23,621 49
Producing power sold	720,225 88	811,827 36		91,601 48
Other miscellaneous operations	15,253 04	20,168 99		4,915 95
Total	$5,346,833 09	$5,722,002 86		$375,169 77
GENERAL EXPENSES				
Salaries and expenses of general officers	$1,029,687 18	$1,166,350 86		$136,663 68
Salaries and expenses of clerks and attendants	6,419,033 24	6,652,741 34		233,708 10
General office supplies and expenses	540,931 68	636,787 32		95,855 64
Law expenses	986,285 93	980,439 31	$5,846 62	
Insurance	9,538 99	9,630 50		91 51
Pensions	208,535 87	1,255,250 09		1,046,714 22
Stationery and printing	225,267 34	299,380 12		74,112 78
Valuation expenses	2,165 72	448 71	1,717 01	
Other expenses	278,463 71	368,910 05		90,446 34
General joint facilities—Dr.	122,666 82	124,645 27		1,978 45
General joint facilities—Cr.	48,383 25	52,673 02	4,289 77	
Total	$9,774,193 23	$11,441,910 55		$1,667,717 32
TRANSPORTATION FOR INVESTMENT—CR.	$39,463 31	$66,953 61	$27,490 30	
Total railway operating expenses	$237,502,382 80	$284,000,438 88		$46,198,056 08

RATIO OF RAILWAY OPERATING EXPENSES, BY GROUPS, TO RAILWAY OPERATING REVENUES

	1938	1937
Maintenance of way and structures	11·07	11·25
Maintenance of equipment	19·91	21·68
Traffic expenses	2·22	1·85
Transportation expenses	41·27	38·11
Miscellaneous operations	1·79	1·56
General expenses	3·27	3·12
Transportation for investment—Cr.	·01	·02
Total	79·52	77·55

SEPARATELY OPERATED PROPERTIES

Pittsburgh, McKeesport and Youghiogheny Railroad, this Company's proportion, one-half, of profit	$287,162 54	
Muncie Belt Railway	884 50	$288,047 04
Mackinac Transportation Company—Loss	$14,907 17	
Owasco River Railway	2,808 17	
Central Indiana Railway	1,159 16	
Federal Valley Railroad	44 88	18,919 38
Net profit on separately operated properties		$269,127 66

RAILWAY TAXES ACCRUED

ON CAPITAL STOCK

State of New York	1938	1937	Comparison
New York Central Railroad Company	$378,430 44	$348,647 66	$29,782 78 Inc
New York & Harlem Railroad Company #	-	24,942 00	24,942 00 Dec
Boston and Albany Railroad Company	2,857 92	2,933 88	75 96 Dec
West Shore Railroad Company #	-	5,755 92	5,755 92 Dec
Hudson River Bridge Company at Albany	1,143 25	1,143 25	—
Wallkill Valley Railroad Company #	—	1,006 53	1,006 53 Dec
Troy & Greenbush Railroad Association #	—	481 25	481 25 Dec
St. Lawrence & Adirondack Railway Company #	—	443 99	443 99 Dec
Hudson River Connecting Railroad Corporation #	—	375 00	375 00 Dec
Niagara River Bridge Company #	-	350 00	350 00 Dec
Total	$382,431 61	$386,079 48	$3,647 87 Dec

Included in rent for leased roads for 1938

RAILWAY TAXES ACCRUED (continued)

	1938	1937	Comparison
Commonwealth of Pennsylvania			
New York Central Railroad Company	$75,000 00	$75,000 00	—
Beech Creek Railroad Company #	—	825 00*	$825 00 Inc
Beech Creek Extension Railroad Company #	—	2,589 50	2,589 50 Dec
Shenango Valley Railroad Company #	—	300 00	300 00 Dec
Stewart Railroad Company #	-	19 25	19 25 Dec
Total	$75,000 00	$77,083 75	$2,083 75 Dec
State of Illinois			
New York Central Railroad Company (including leased lines)	$7,343 70	$7,652 58	$308 88 Dec
Commonwealth of Massachusetts			
Boston & Albany Railroad Company	$12,593 36	$11,807 51	$785 85 Inc
State of West Virginia			
Kanawha & Michigan Railway Company (6 months)	$845 00	$1,690 00	$845 00 Dec
Kanawha & West Virginia Railroad Company (6 months)	10 00	20 00	10 00 Dec
Toledo and Ohio Central Railway Company (6 months)	401 93	—	401 93 Inc
New York Central Railroad Company	150 00	150 00	—
Total	$1,406 93	$1,860 00	$453 07 Dec
Total State capital stock taxes	$478,775 60	$484,483 32	$5,707 72 Dec
ON GROSS EARNINGS OR INCOME			
State of New York	$169,105 73	$190,707 58	$21,601 85 Dec
State of Ohio	398,214 14	416,503 52	18,289 38 Dec
State of Indiana	40,466 63	45,182 31	4,715 68 Dec
Commonwealth of Pennsylvania	8,623 73	21,517 38	12,893 65 Dec
City of New York	313,488 79	589,655 99	276,167 20 Dec
Total	$929,899 02	$1,263,566 78	$333,667 76 Dec
RAILROAD COMMISSIONERS' ASSESSMENTS			
State of Ohio	$6,154 56	$6,362 40	$207 84 Dec
State of West Virginia	1,050 00	1,013 97	36 03 Inc
Total	$7,204 56	$7,376 37	$171 81 Dec
SALES, EXCISE, LIQUOR AND SUNDRY OTHER TAXES			
State of Michigan	$10,331 39	$11,415 25	$1,083 86 Dec
State of Ohio	6,953 59	7,379 35	425 76 Dec
State of Illinois	4,628 64	4,651 73	23 09 Dec
State of New York	3,175 44	2,960 40	215 04 Inc
State of Indiana	579 02	758 40	179 38 Dec
State of Kentucky	68	78	10 Dec
State of Missouri	107 77	258 11	150 34 Dec
State of West Virginia	72	08	64 Inc
Commonwealth of Massachusetts	717 80	815 53	97 73 Dec
City of New York	20,719 49	708 40	20,011 09 Inc
Total	$47,214 54	$28,948 03	$18,266 51 Inc
CANADIAN PROVINCIAL AND GOVERNMENT (Excluding real and personal property)			
Canada Southern Railway Company	$291,365 42	$442,087 17	$150,721 75 Dec
St Lawrence & Adirondack Railway Company	4,909 28	3,090 13	1,819 15 Inc
Ottawa & New York Railway Company	898 17	942 83	44 66 Dec
Detroit River Tunnel Company	7,247 41	7,410 25	162 84 Dec
New York Central Railroad Company	148 67	177 14	28 47 Dec
Total	$304,568 95	$453,707 52	$149,138 57 Dec
FEDERAL GOVERNMENT			
Capital stock	$77,521 00	$240,541 00	$163,020 00 Dec
Income tax	—	4,513 65	4,513 65 Dec
Emergency revenue tax	26,167 62	32,860 03	6,692 41 Dec
Railroad Retirement Act	4,300,523 05	5,026,542 98	726,019 93 Dec
Railroad Retirement Act—1934	12,027 52*	—	12,027 52 Dec
Unemployment insurance	463,638 89	375,407 65①	88,231 24 Inc
Total	$4,855,823 04	$5,679,865 31①	$824,042 27 Dec
State unemployment insurance	$4,169,874 15	$3,233,342 28①	$936,531 87 Inc

Included in rent for leased roads for 1938.
* Credit.
① Revised for purposes of comparison.

RAILWAY TAXES ACCRUED (concluded)

	1938	1937	Comparison
LICENSE FOR MOTOR VEHICLES			
State of New York	$1,541 59	$1,794 92	$253 33 Dec
State of Michigan	709 00	657 70	51 30 Inc
State of Ohio	1,794 90	1,733 86	61 04 Inc
State of Indiana	594 75	294 75	300 00 Inc
State of Illinois	438 13	377 50	60 63 Inc
State of New Jersey	104 80	99 00	5 80 Inc
Commonwealth of Pennsylvania	179 40	185 40	6 00 Dec
State of Missouri	14 00	10 50	3 50 Inc
Total	$5,376 57	$5,153 63	$222 94 Inc
ON PUBLIC STREETS			
State of New York	$4,899 20	$5,683 22	$784 02 Dec
State of Illinois	400 00	400 00	—
Total	$5,299 20	$6,083 22	$784 02 Dec
MEXICAN INCOME AND ABSENTEE	$1,240 15	$3,020 20	$1,780 05 Dec
PUBLIC SERVICE COMMISSION			
Commonwealth of Pennsylvania	$1,711 48	—	$1,711 48 Inc
State of West Virginia	504 42	$503 42	1 00 Inc
Total	$2,215 90	$503 42	$1,712 48 Inc
TRANSPORTATION PRIVILEGE TAX			
State of West Virginia	$43,731 16	$65,752 18	$22,021 02 Dec
ON THE VALUE OF REAL AND PERSONAL PROPERTY (including leased lines)	$20,474,602 05	$19,626,354 57	$848,247 48 Inc
ON SPECIAL FRANCHISES (including leased lines)	$1,397,779 85	$1,302,370 21	$95,409 64 Inc
Total railway taxes accrued	$32,723,604 74	$32,160,527 04	$563,077 70 Inc

MISCELLANEOUS TAXES

	1938	1937	Comparison
TAXES CHARGED TO "MISCELLANEOUS OPERATIONS"			
On the value of real and personal property	$63,432 41	$59,437 71	$3,994 70 Inc
Emergency revenue tax	15 16	15 96	80 Dec
Federal and State unemployment insurance	7,018 76	5,480 22	1,538 54 Inc
Railroad Retirement Act	6,252 48	7,341 43	1,088 95 Dec
Total	$76,718 81	$72,275 32	$4,443 49 Inc
MISCELLANEOUS TAX ACCRUALS			
On miscellaneous physical property	$407,693 07	$344,740 89	$62,952 18 Inc
On income from securities owned	19,561 23	15,187 55	4,373 68 Inc
Total	$427,254 30	$359,928 44	$67,325 86 Inc

HIRE OF EQUIPMENT ACCOUNT

	1938	1937	Comparison
PAID			
Locomotives	$147,382 49	$322,694 70	$175,312 21 Dec
Passenger-train cars	2,214,684 90	2,038,383 86	176,301 04 Inc
Freight-train cars	20,851,950 28	27,268,718 51	6,416,768 23 Dec
Rent for floating equipment	10,599 00	22,099 50	11,500 50 Dec
Work equipment	18,256 83	22,789 98	4,533 15 Dec
Total	$23,242,873 50	$29,674,686 55	$6,431,813 05 Dec
RECEIVED			
Locomotives	$141,689 12	$190,058 87	$48,369 75 Dec
Passenger-train cars	691,029 99	788,601 17	97,571 18 Dec
Freight-train cars	12,231,178 07	17,878,950 65	5,647,772 58 Dec
Floating equipment	638 48	1,526 55	888 07 Dec
Work equipment	71,583 12	92,711 11	21,128 29 Dec
Total	$13,136,118 78	$18,951,848 65	$5,815,729 87 Dec
Net debit balance	$10,106,754 72	$10,722,837 90	$616,083 18 Dec

JOINT FACILITY RENT ACCOUNT

	1938	1937	Comparison
Amount paid for use of facilities maintained by other companies	$7,930,217 08	$8,272,536 50	$342,319 42 Dec
Amount received for use of facilities maintained by this company	5,164,239 88	4,958,481 11	205,758 77 Inc
Net debit	$2,765,977 20	$3,314,055 39	$548,078 19 Dec

The New York Central Railroad Company

DEDUCTIONS FROM GROSS INCOME

Interest on funded debt

MORTGAGE BONDS			
Carthage & Adirondack Railway Co first mortgage bonds	4%	$44,000 00	
Chicago Indiana & Southern Railroad Co fifty-year gold bonds	4%	606,000 00	
Cleveland Short Line Railway Co first mortgage bonds	4½%	531,000 00	
Gouverneur & Oswegatchie Railroad Co first mortgage bonds	5%	15,000 00	
Indiana Illinois & Iowa Railroad Co first mortgage bonds	4%	194,000 00	
Jamestown Franklin & Clearfield Railroad Co first mortgage bonds	4%	440,000 00	
Kalamazoo & White Pigeon Railroad Co first mortgage bonds	5%	20,000 00	
Lake Shore & Michigan Southern Railway Co gold mortgage bonds	3½%	1,750,000 00	
Mohawk & Malone Railway Co consolidated mortgage bonds	3½%	136,500 00	
Mohawk & Malone Railway Co first mortgage bonds	4%	100,000 00	
N Y C R R Co consolidation mortgage bonds, series A	4%	2,772,614 88	
N Y C & H R R R Co gold debentures of 1912	4%	367,520 00	
N Y C & H R R R Co gold mortgage bonds	3½%	3,290,000 00	
N Y C & H R R R Co—Lake Shore collateral gold bonds†	3½%	743,840 42	
N Y C & H R R R Co—Michigan Central collateral gold bonds	3½%	676,760 00	
N Y C R R Co refunding and improvement mortgage bonds, series A	4½%	5,175,000 00	
N Y C R R Co refunding and improvement mortgage bonds, series C†	5%	3,850,000 00	
N Y C & H R R R Co—Spuyten Duyvil & Port Morris first mortgage bonds	3½%	87,500 00	
New York & Putnam Railroad Co first consolidated mortgage bonds	4%	159,270 00	
Sturgis Goshen & St Louis Railway Co first mortgage bonds	3%	9,660 00	$20,968,665 30
DEBENTURE BONDS			
N Y C & H R R R Co of 1900	3½%		192,500 00
EQUIPMENT TRUST OBLIGATIONS			
Equipment trust certificates of June 1, 1923	5%	$9,625 00	
Equipment trust certificates of June 1, 1924	5%	69,629 00	
Equipment trust certificates of September 15, 1924	4½%	65,190 00	
Equipment trust certificates of May 15, 1925	4½%	78,446 25	
Equipment trust certificates of April 15, 1929	4½%	311,437 50	
Equipment trust certificates of December 1, 1929	4½%	231,881 25	
Equipment trust certificates of May 15, 1930	4½%	315,945 00	
Equipment trust certificates of March 15, 1937	2¼%	91,430 62	1,173,584 62
COLLATERAL TRUST BONDS			
N Y C R R Co—ten-year secured sinking fund bonds	3¾%	$1,415,340 84	
N Y C R R Co—fifteen-year secured bonds	3¼%	1,301,079 00	
N Y C R R Co—serial secured notes	1½-2.6%	224,250 00	
National City Bank of New York—Notes	2%	22,083 34	2,962,753 18
Total interest on funded debt			$25,297,503 10

† Interest accrued only on amount actually outstanding

Rent for leased roads

BATTLE CREEK AND STURGIS RAILWAY		
Interest at 3% on $79,000 first mortgage bonds		$2,370 00
BEECH CREEK RAILROAD		
Dividend at 4% on 120,000 shares of capital stock ($50 par value)	$240,000 00	
Federal tax on corporate income	46,848 70	
Pennsylvania State Tax on capital stock	24,000 00	
Organization expenses	642 70	311,491 40
BEECH CREEK EXTENSION RAILROAD		
Interest at 3½% on $3,500,000 first mortgage bonds	$122,500 00	
Interest at 4% on $3,964,000 consolidated mortgage gold bonds	158,560 00	
Pennsylvania State Tax on corporate loans	12,962 00	
Pennsylvania State Tax on capital stock	2,589 50	296,611 50
Carried forward		$610,472 90

DEDUCTIONS FROM GROSS INCOME (continued)

Rent for leased roads (continued)

	Brought forward		$610,472 90
Boston and Albany Railroad			
Interest at 3½% on $3,858,000 Refunding bonds of 1902	$135,030 00		
Interest at 5% on $3,627,000 Refunding bonds of 1913	181,350 00		
Interest at 3½% on $1,000,000 Terminal bonds	35,000 00		
Interest for 6 months at 5% on $2,015,000 Improvement bonds of 1913	50,375 00		
Interest at 5% on $1,000,000 Improvement bonds of 1917	50,000 00		
Interest at 4¼% on $5,700,000 Improvement bonds of 1928	242,250 00		
Interest at 6% on $4,500,000 Refunding bonds of 1934	270,000 00		
Interest at 4½% on $9,000,000 main line first mortgage bonds of 1935	405,000 00		
Interest for 4 months at 4½% on $3,015,000 main line first mortgage bonds of 1938	45,225 00		
Cash rental	2,000,000 00		
Federal taxes and interest	441,583 19		
Federal Capital Stock Tax and interest for 1937	26,782 87		
Organization expenses	12,875 36	$3,895,471 42	
Pittsfield and North Adams Railroad			
Cash rental	$22,500 00		
Federal tax on corporate income	3,712 65		
Organization expenses	231 25	26,443 90	
Ware River Railroad			
Dividend at 7% on 7,500 shares of capital stock	$52,500 00		
Federal tax on corporate income	10,258 27		
Organization expenses	204 55	62,962 82	
Providence Webster and Springfield Railroad			
25% of the gross earnings for the year ended December 31, 1938		1,903 49	
Total rent for Boston and Albany and its leased roads			3,986,781 63
BIG FOUR LINES			
Cleveland Cincinnati Chicago and St Louis Railway			
Interest at 4% on $28,579,000 General mortgage gold bonds	$1,143,160 00		
Interest at 5% on $4,161,000 General mortgage gold bonds	208,050 00		
Interest adjustment on Foreign debenture bonds, matured	75 07		
Interest at 4½% on $43,706,000 Refunding and improvement mortgage bonds, series "E"	1,966,770 00		
Interest at 4% on $5,000,000 Cairo Vincennes and Chicago Railway First mortgage bonds	200,000 00		
Interest at 4% on $4,000,000 Cincinnati Wabash & Michigan Division mortgage bonds	160,000 00		
Interest at 4% on $1,103,500 Springfield and Columbus Division First mortgage bonds	44,140 00		
Interest at 4% on $650,000 White Water Valley Division mortgage bonds	26,000 00		
Interest at 4% on $3,000,000 Chicago Indianapolis & St Louis Short Line Railway First mortgage bonds	120,000 00		
Interest at 4% on $7,911,000 St Louis Division First collateral trust mortgage bonds	319,138 11		
Interest at 4% on $5,000,000 Springfield Division Purchase money lien	200,000 00		
Carried forward	$1,387,333 18		$4,597,254 53

DEDUCTIONS FROM GROSS INCOME (continued)

Rent for leased roads (continued)

Brought forward	$4,387,333 18		$4,597,254 53
BIG FOUR LINES (*continued*)			
CLEVELAND CINCINNATI CHICAGO AND ST LOUIS RAILWAY (*continued*)			
Dividend at $10 per share on minority common capital stock	73,615 00		
Dividend at $5 per share on minority preferred capital stock	74,095 00		
Interest at 5% on equipment trust certificates of June 1, 1923	1,292 00		
Interest at 5% on equipment trust certificates of June 1, 1924	30,246 17		
Interest at 4½% on equipment trust certificates of September 15, 1924	28,905 00		
Interest at 4½% on equipment trust certificates of May 15, 1925	56,857 50		
Organization expenses	19,521 81	$4,671,865 66	
CINCINNATI NORTHERN RAILROAD #			
Interest at 4% on First mortgage bonds	$28,380 00		
Interest at 5% on equipment trust certificates of June 1, 1924	1,912 50		
Dividend at $12 per share on minority capital stock	2,763 00		
Organization expenses	178 88	33,234 38	
CINCINNATI SANDUSKY AND CLEVELAND RAILROAD #			
Dividend at 6% on preferred capital stock ($50 par value)	$6,414 75		
Organization expenses	115 49	6,530 24	
CENTRAL RAILROAD OF INDIANAPOLIS			
Cash rental		6,332 43	
CINCINNATI, LAFAYETTE AND CHICAGO RAILROAD—Organization expenses #		41 46	
COLUMBUS HOPE AND GREENSBURG RAILROAD—Organization expenses #		15 98	
EVANSVILLE INDIANAPOLIS AND TERRE HAUTE RAILWAY—Organization expenses #		46 97	
EVANSVILLE MT CARMEL AND NORTHERN RAILWAY—Organization expenses #		29 23	
VERNON GREENSBURG AND RUSHVILLE RAILROAD—Organization expenses #		15 97	
PEORIA AND EASTERN RAILWAY			
Under operating contract		129,810 89	
Total rent for Cleveland Cincinnati Chicago & St Louis Ry and its leased and operated roads			4,847,923 21
DETROIT HILLSDALE AND SOUTH WESTERN RAILROAD			
Dividend at 4% on 13,500 shares of capital stock		$54,000 00	
Federal tax on corporate income		10,670 22	
Organization expenses		500 00	65,170 22
DETROIT TOLEDO AND MILWAUKEE RAILROAD—Organization expenses			7 00
ERIE AND KALAMAZOO RAILROAD			
Cash rental			30,000 00
FORT WAYNE AND JACKSON RAILROAD			
Cash rental		$126,027 88	
Federal tax on corporate income		24,754 24	
Organization expenses		1,500 00	152,282 12
HUDSON RIVER CONNECTING RAILROAD			
Cash rental equal to			
Dividend at 6% on 2,500 shares of capital stock		$15,000 00	
New York State Tax on capital stock		375 00	
Organization expenses		1,161 74	16,536 74
KALAMAZOO ALLEGAN AND GRAND RAPIDS RAILROAD			
Interest at 5% on $840,000 First mortgage bonds		$42,000 00	
Dividend at 6% on 6,100 shares of capital stock		36,600 00	
Federal tax on corporate income		6,592 79	
Organization expenses		1,352 28	86,545 07
LAKE ERIE ALLIANCE & WHEELING RAILROAD			
Dividend at 4% on 30,000 shares of capital stock		$120,000 00	
Organization expenses		40 00	120,040 00
MAHONING COAL RAILROAD			
40% of the gross earnings for the year ended December 31, 1938			867,918 81
MICHIGAN CENTRAL LINES			
MICHIGAN CENTRAL RAILROAD			
Interest at 3½% on $18,000,000 First mortgage bonds	$630,000 00		
Interest at 4½% on $6,171,000 Refunding and improvement mortgage bonds series "A"	277,695 00		
Interest at 4½% on $11,634,000 Refunding and improvement mortgage bonds series "C"	523,530 00		
Carried forward	$1,431,225 00		$10,783,677 70

Merged into The Cleveland, Cincinnati, Chicago and St. Louis Railway Company, June 30, 1938

DEDUCTIONS FROM GROSS INCOME (continued)

Rent for leased roads (continued)

Brought forward	$1,431,225 00		$10,783,077 70
MICHIGAN CENTRAL LINES (*continued*)			
MICHIGAN CENTRAL RAILROAD (*continued*)			
Interest at 4% on $1,500,000 Grand River Valley Railroad First mortgage bonds	60,000 00		
Interest at 3½% on $1,692,000 Jackson Lansing and Saginaw Railroad First mortgage bonds	59,220 00		
Interest at 4% on $2,600,000 Michigan Air Line Railroad First mortgage bonds	104,000 00		
Interest at 4% on $1,500,000 Joliet and Northern Indiana Railroad First mortgage bonds	60,000 00		
Interest at 5% on $700,000 Kalamazoo and South Haven Railroad First mortgage bonds	35,000 00		
Interest at 3% on $49,000 Bay City and Battle Creek Railway First mortgage bonds	1,470 00		
Interest at 4% on $3,100,000 Toledo Canada Southern and Detroit Railway First mortgage bonds	124,000 00		
Dividend at $50 per share on Michigan Central Railroad minority stock	52,550 00		
Interest at 5% on equipment trust certificates of June 1, 1923	13,167 00		
Interest at 5% on equipment trust certificates of June 1, 1924	16,505 00		
Interest at 4½% on equipment trust certificates of September 15, 1924	13 299 38		
Interest at 4½% on equipment trust certificates of May 15, 1925	25,008 75		
Organization expenses	1,466 25	$1,996,911 38	
BATTLE CREEK AND STURGIS RAILWAY			
Interest at 3% on $421,000 First mortgage bonds	$12,630 00		
Organization expenses	2 00	12,632 00	
CANADA SOUTHERN RAILWAY			
Interest at 5% on $29,235,000 First and refunding mortgage bonds	$1,461,750 00		
Interest at 4% on $130.000 Leamington and St Clair Railway First mortgage bonds	5,200 00		
Dividend at 3% on 150,000 shares of capital stock	450,000 00		
Organization expenses	1,026 69	1,917,976 69	
DETROIT MANUFACTURERS RAILROAD			
Cash rental	$15,000 00		
Federal tax on corporate income	2,385 71		
Organization expenses	500 00	17,885 71	
DETROIT RIVER TUNNEL			
Interest at 4½% on $18,000,000 First mortgage bonds	$810,000 00		
Cash rental	240,000 00		
Organization expenses	458 25	1,050,458 25	
JOLIET AND NORTHERN INDIANA RAILROAD			
Dividend at 5% on 3,000 shares of capital stock	$15,000 00		
Organization expenses	70 00	15,070 00	
NIAGARA RIVER BRIDGE			
New York State Tax on capital stock	$350 00		
Organization expenses	120 90	470 90	
LANSING MANUFACTURERS RAILROAD—Organization expenses		42 00	
LANSING TRANSIT RAILWAY—Organization expenses		52 00	
ST CLAIR AND WESTERN RAILROAD—Organization expenses		7 00	
ST JOSEPH SOUTH BEND AND SOUTHERN RAILROAD			
Cash rental		20,000 00	
CHICAGO KALAMAZOO AND SAGINAW RAILWAY—Organization expenses		42 00	
ILLINOIS CENTRAL RAILROAD			
Rental of 16th St property		46,648 20	
TOTAL RENT FOR MICHIGAN CENTRAL RAILROAD AND ITS LEASED ROADS			5,078,196 13
NEW JERSEY JUNCTION RAILROAD			
Interest at 4% on $1,700,000 First mortgage bonds		$68,000 00	
Organization expenses		225 11	68,225 11
NEW YORK AND HARLEM RAILROAD			
Interest at 3½% on $12,000,000 Gold mortgage bonds		$420,000 00	
Dividend at 10% on 200,000 shares of capital stock ($50 par value)		1,000,000 00	
Federal tax on corporate income and interest		190,931 36	
New York State Tax on capital stock		24,939 30	
New York City Utility Tax		5,579 51	
Organization expenses		844 95	1,642,295 12
OHIO CENTRAL LINES			
TOLEDO AND OHIO CENTRAL RAILWAY			
Interest at 4% on $500,000 First mortgage bonds, St Marys Division	$20,000 00		
Interest at 3¾% on $12,500,000 Refunding and improvement bonds, Series "A"	468,750 00		
Carried forward	$488,750 00		$17,572,394 06

DEDUCTIONS FROM GROSS INCOME (concluded)

Rent for leased roads (concluded)

Brought forward	$488,750 00		$17,572,394 06
OHIO CENTRAL LINES (*continued*)			
TOLEDO AND OHIO CENTRAL RAILWAY (*continued*)			
Interest on non-negotiable debt to affiliated companies	453,350 60		
Other interest	9,000 00		
Cash rental	808,000 00		
Organization expenses	3,301 84	$1,762,402 44	
ZANESVILLE AND WESTERN RAILWAY ♯			
Interest at 4% on $2,000,000 First mortgage bonds	$40,000 00		
Interest on non-negotiable debt to affiliated companies	3,600 00		
Organization expenses	27 89	43,627 89	
KANAWHA & MICHIGAN RAILWAY ♯			
Interest at 4% on $2,469,000 First mortgage bonds	$98,760 00		
Interest at 6% on notes to Gauley Coal Land Corporation	17,771 17		
Interest on non-negotiable debt to affiliated companies	11,206 03		
Cash rental	270,000 00		
Rental of Middleport and Northeastern Railway ♯	2,099 78		
Organization expenses	558 28		
Organization expenses—Kanawha & West Virginia Railroad ♯	53 06	400,448 32	
Total rent for the Ohio Central Lines			2,206,478 65
ST LAWRENCE & ADIRONDACK RAILWAY			
Interest at 5% on $800,000 First mortgage bonds		$40,000 00	
Interest at 6% on $400,000 Second mortgage bonds		24,000 00	
Cash rental for line leased from Canadian National Railways		10,000 00	
Adjustment of 1933 income tax		85 50	
New York State Tax on capital stock		443 99	
Organization expenses		130 00	74,659 49
TROY AND GREENBUSH RAILROAD			
Rental at 7% on 5,500 shares of capital stock ($50 par value)		$19,250 00	
Federal tax on corporate income		3,029 13	
New York State Tax on capital stock		481 25	
Gross Earnings Tax—1937–1938		618 75	23,379 13
WALLKILL VALLEY RAILROAD			
Dividend at 3½% on 3,300 shares of capital stock		$11,550 00	
New York State Tax on capital stock		1,006 53	
Organization expenses		39 30	12,595 83
WEST SHORE RAILROAD			
Interest at 4% on $48,755,000 First mortgage bonds		$1,950,590 00	
New York State Tax on capital stock		5,841 97	
Organization expenses		489 05	1,956,921 02
VARIOUS COMPANIES for siding, team and yard tracks			391,491 91 *
RENT FOR LEASED EQUIPMENT			234,275 06
Total rent for leased roads and equipment			$22,472,195 15

*Includes $6,721.33 account of Michigan Central Lines
NOTE: The company received a return of $3,990,619.69 representing dividends and interest on its holdings of securities of lessor companies
♯Merged into The Toledo and Ohio Central Railway Company, June 30, 1938.

EQUIPMENT OWNED OR LEASED BY THE NEW YORK CENTRAL RAILROAD COMPANY NOT USED IN ITS OWN SERVICE

Road	At beginning of year	Added	Retired	At end of year
STEAM LOCOMOTIVES				
Cincinnati Union Terminal Co.	12	—	—	12
FREIGHT TRAIN CARS				
BOX CARS				
Chicago River & Indiana R R	68	50	--	118
REFRIGERATOR CARS				
Merchants Despatch Transportation Corporation	7,849	—	3,505	4,344
STOCK CARS				
Merchants Despatch Transportation Corporation	100	—	—	100
PASSENGER TRAIN CARS				
BAGGAGE AND EXPRESS CARS				
Merchants Despatch Transportation Corporation	57	—	57	—
REFRIGERATOR CARS				
Merchants Despatch Transportation Corporation	79	—	79	—
WORK EQUIPMENT				
M OF W				
Republic Steel Corp.	48	1	20	29

EQUIPMENT IN SERVICE

INCLUDING ALL LEASED LINES

	DECEMBER 31, 1937				DECEMBER 31, 1938				
Locomotives	Number	Average tractive power (lbs)	Installed during 1938	Retired during 1938	Number	Owned	Held under equipment trusts	Held under lease or other form of titles	Average tractive power (lbs)
For freight service	1,735	59,596	—	19	1,716	959	235	522	59,666
For passenger service	624	44,599	10	26	608	290	182	136	45,068
For switching service	986	43,988	—	10	976	560	54	362	43,962
Electric locomotives	146	55,938	—	—	146	92	42	12	56,067
Oil electric Diesel	44	62,825	2	—	46	5	41	—	61,930
Totals	3,535	—	12	55	3,492	1,906	554	1,032	—
Freight-train cars		Average capacity tons							Average capacity tons
Box cars	79,700	47·55	33	6,452	73,281	30,299	10,955	32,027	48·18
Refrigerator cars	250	33·33	15	6	259	228	—	31	33·30
Flat cars	2,699	48·25	—	100	2,599	2,007	300	292	48·63
Stock cars	1,792	39·99	—	72	1,720	1,303	—	417	40·00
Gondola and Hopper Cars	60,415	56·80	10	3,427	56,998	22,319	8,475	26,204	57·23
Caboose cars	1,989	—	—	22	1,967	1,216	—	751	—
Other freight train cars	1,264	65·22	10	4	1,270	934	—	336	65·28
Totals	148,109	—	68	10,083	138,094	58,306	19,730	60,058	—
Passenger-train cars		Average seating capacity							Average seating capacity
Coaches	1,591	86	27	8	1,610	967	241	402	85
Combination coach cars	195	47	2	5	190	100	32	58	47
Dining cars	181	—	6	2	185	73	64	48	—
Club, lounge and observation cars	16	—	—	16	—	—	—	—	—
Postal cars	275	—	4	—	279	159	32	88	—
Baggage, express and other non-passenger cars	1,771	—	—	6	1,765	1,144	287	334	—
Other passenger cars	34	—	10	—	44	13	—	31	—
Passenger Rail Motor Cars									
Coaches	339	81	—	9	330	301	29	—	82
Combination coach cars	31	54	—	1	30	30	—	—	54
Other passenger-train rail motor cars	16	—	—	—	16	9	—	7	—
Articulated Trains									
Coaches	3	57	—	—	3	3	—	—	57
Combination coach cars	2	35	—	—	2	2	—	—	35
Parlor cars	3	32	—	—	3	3	—	—	32
Other passenger-train cars	1	—	—	—	1	1	—	—	—
Totals	4,456	—	49	47	4,458	2,805	685	968	—
Company service equipment									
Officers' and pay cars	32	—	—	—	32	21	—	11	—
Ballast cars	2,135	—	—	3	2,132	1,528	—	604	—
Derrick cars	142	—	126	7	261	193	—	68	—
Steam shovels	25	—	—	2	23	21	—	2	—
Wrecking cars	216	—	6	8	214	142	—	72	—
Other company service cars	5,662	—	144	616	5,190	4,427	—	763	—
Totals	8,212	—	276	636	7,852	6,332	—	1,520	—

	DECEMBER 31, 1937				DECEMBER 31, 1938	
Marine Department		Average capacity				Average capacity
Ferry boats	9		—	—	9	
Tugs, steel	26		—	—	26	
Steam-lighters	6	350 tons	—	—	6	350 tons
Diesel propelled lighter	1	450 tons	—	—	1	450 tons
Hoisting-barges	39	259 tons	—	—	39	259 tons
Barges, scows and grainboats	154	310 tons	—	—	154	310 tons
Car floats	57	14 cars	—	1	56	14 cars
Oil storage barges for company use	3	5,000 bbls.	—	—	3	5,000 bbls.
Coal and pumping barge	1	150 tons	—	—	1	150 tons
Totals (owned)	296		—	1	295	

The New York Central Railroad Company

TABLE OF TRACKS

DECEMBER 31, 1938

		State	Miles of main track: First	Second	All Other	Passing Tracks Cross Overs, etc.	Yards and Sidings	Total
MAIN LINE OWNED								
New York Central Railroad	Mott Haven, N.Y..1462' W of State Line sta	N.Y.	499·78	499·76	897·24	73·80	845·14	2,815·72
	W of State Line sta...10846' E of Conneaut	Penn	43·96	43·96	87·92	20·01	52·91	248·76
	E of Conneaut.....16462'W of Edgerton	Ohio	242·96	242·86	349·91	79·13	438·33	1,353·19
	W of Edgerton.....4311' E of East Side	Ind	152·56	152·55	78·22	54·80	161·07	599·20
	E of East Side.....Chicago	Ill	14·00†	14·01†	19·08	4·43	72·47	123·99
	Total main line owned		953·26	953·14	1,432·37	232·17	1,569·92	5,140·86
BRANCHES OWNED								
30th Street Branch	Spuyten Duyvil.....St. John's Park	N.Y.	12·14	12·14	–	4·51	71·23	100·05
Putnam Branch	Sedgwick Ave., New York...Putnam Jct.	"	52·08	4·75	–	10·53	11·52	78·88
Yonkers Branch	V. C. P. Junction..Getty Square, Yonkers	"	3·08	2·98	–	·06	·08	6·20
Schenectady Detour Branch	Carman.....South Schenectady	"	4·60	3·67	–	·20	·43	8·90
Troy & Schenectady Branch	Schenectady.....Troy	"	20·91	–	–	2·17	8·67	31·75
Hoffman's Connection Branch	Hoffman's.....Rotterdam Junction	"	2·44	2·10	–			4·54
Dolgeville Branch	Little Falls.....Salisbury Center	"	12·49	–	–	·48	1·60	14·57
Adirondack Branch	Herkimer.....Malone	"	173·33	–	–	10·89	31·49	215·71
Saranac Branch	Lake Clear Junction.....Saranac Lake	"	5·89	–	–	·33	1·51	7·73
Ottawa Branch	Helena.....International Boundary	"	4·70	–	–	·31	·08	5·09
Ogdensburg Branch	Utica.....Ogdensburg	"	134·30	10·02	–	11·28	32·75	188·35
Clayton Branch	Rivergate.....Clayton	"	15·78	–	–	1·11	2·23	19·12
Rome Branch	Rome.....Richland	"	45·32	–	–	7·04	17·45	69·81
Syracuse Junction Branch	East Syracuse.....Syracuse Junction	"	8·22	8·11	13·32	1·27	12·40	43·32
Watertown Branch	Syracuse (Signal Station J. G.)...Massena	"	158·75	27·03	–	35·50	80·36	301·64
Phoenix Branch	Woodward.....Fulton	"	15·84	–	–	·64	4·62	21·10
Ontario Branch	Pulaski.....Suspension Bridge	"	175·28	2·40	–	19·06	55·56	252·30
Rochester Branch	Windsor Beach.....State St., Rochester	"	7·30	–	–	·91	2·63	10·84
Sackets Harbor Branch	Watertown Junction.....Sackets Harbor	"	11·43	–	–	·64	2·22	14·29
Cape Vincent Branch	Watertown Junction.....Cape Vincent	"	24·10	–	–	2·09	6·45	32·64
Dexter Branch	Dexter Junction.....Dexter	"	1·19	–	–	·30	·84	2·33
Carthage Branch	Watertown.....Newton Falls	"	63·39	–	–	4·17	8·54	76·10
Sanfords Branch	Main St, Watertown.....Roots	"	5·21	–	–	·23	4·96	10·40
Oswegatchie Branch	G & O Junction.....Edwards	"	13·01	–	–	·97	2·55	16·53
St Joseph Lead Branch	Emeryville.....Balmat	"	4·25	–	–	·21	·57	5·03
DeKalb Branch	DeKalb Junction.....Ogdensburg	"	19·10	–	–	1·03	1·78	21·91
Auburn Branch	Syracuse Junction.....Brighton, Rochester	"	96·89	–	–	12·99	38·18	148·06
Canandaigua Branch	Canandaigua.....Batavia	"	50·36	–	–	2·16	7·89	60·41
Lyons-Newbury Branch	Lyons.....205' S of Lawrenceville	"	85·73	82·49	–	12·21	53·53	233·96
	S of Lawrenceville.....Newberry Junction	Penn	95·33	33·26	–	15·21	25·48	169·28
Penn Yan Branch	Dresden.....Penn Yan	N.Y.	6·55	–	–	·64	2·88	10·07
Corning Branch	Corning Junction.....Corning	"	·72	·72	–	·34	3·56	5·34
Cowanesque Valley Branch	C V Junction.....Westfield	Penn	25·27	–	–	1·67	1·74	28·68
Antrim Branch	Wellsboro Junction.....Antrim	"	16·65	–	–	1·02	5·17	22·84
Falls Branch	Ames St Jct, Roch.....Suspension Bridge	N.Y.	74·01	73·81	–	8·08	93·47	249·37
Charlotte Branch	Jay St Jct, Rochester.....Charlotte	"	7·23	6·92	–	·84	8·19	23·18
Attica Branch	At Attica.....	"	–	–	–	—	2·10	2·10
Tonawanda Branch	Batavia.....North Tonawanda	"	34·97	1·77	–	1·04	3·38	41·16
Gardenville Branch	Depew.....Bay View	"	12·96	12·78	–	1·08	102·92	129·74
Buffalo Belt Branch	William St, Buffalo..North Buffalo Junction	"	6·72	6·72	–	1·28	29·00	43·72
Niagara Branch	Seneca St, Buffalo.....Lewiston	"	30·52	25·23	3·55	4·90	79·84	144·04
Wonalancet Branch	North Buffalo Junction.....Harriet	"	4·32	–	–	·56	22·69	27·57
Dupont Branch	Wonalancet Branch.....Industries	"	·71	–	–	·24	1·79	2·74
Catskill Mountain Branch	Kingston Point.....Oneonta	"	107·03	–	–	13·01	9·92	129·96
Stony Clove and Kaaterskill Branch	Phoenicia.....Kaaterskill	"	19·19	–	–	1·45	·54	21·18
Hunter Branch	Kaaterskill Junction.....Hunter	"	2·66	–	–	·06	·34	3·06
Valley Branch	Dunkirk.....650'S of Fentonville	"	42·26	–	–	3·72	6·18	52·16
	S of Fentonville.....Titusville	Penn	48·25	–	–	3·20	6·31	57·76
Youngstown Branch	Ashtabula Harbor.....Andover	Ohio	26·90	10·68	2·47	4·02	103·40	147·47
Oil City Branch	Andover.....3582'E of Simons	"	6·14	·09	–	·80	1·70	8·73
	E of Simons.....Oil City	Penn	55·00	2·37	–	10·33	17·42	85·12
Clearfield Branch	Polk Junction.....Rose Siding	"	61·06	–	–	8·79	4·64	74·49
Low Grade Line	Carson.....Mann	Ohio	18·10	18·10	–	1·55	8·50	46·25
Cleveland Short Line	Collinwood.....Belt Junction	"	20·41	20·31	9·14	10·97	70·69	131·52
Norwalk Branch	Elyria Junction.....Millbury Junction	"	78·75	–	–	11·82	13·77	104·34
Detroit Branch	Air Line Junction.....4352' N of Alexis	"	7·42	6·38	–	3·10	22·42	39·32
	N of Alexis.....D & M Junction, Detroit	Mich	51·43	·07	–	7·91	35·54	94·95
Old Road	Air Line Junction.....Vulcan	Ohio	2·75	1·00	–	·13	1·03	4·91
	Palmyra.....6965' E of Vistula	Mich	101·96	–	–	13·08	24·44	139·48
	E of Vistula.....Elkhart	Ind	14·70	–	–	1·20	·39	16·29
	Carried forward		2,207·08	375·90	28·48	275·36	1,171·56	4,058·38

† Includes 6·35 miles 1st main and 6·40 miles 2nd main owned jointly with C R I & P Ry

TABLE OF TRACKS (Continued)

BRANCHES OWNED (*concluded*)		State	Miles of main track: First	Second	All other	Passing Tracks Cross Overs, etc.	Yards and Sidings	Total
	Brought forward		2,207·08	375·90	28·48	275·36	1,171·56	4,058·38
Monroe Branch	Lenawee Junction....Monroe	Mich	29·50	–	–	·97	5·37	35·84
Fayette Branch	Grosvenor....12063′ W of Morenci	"	20·56	–	–	·44	1·22	22·22
	W of Morenci....Fayette	Ohio	4·66	–	–	·27	·31	5·24
Jackson Branch	Lenawee Junction....Jackson	Mich	42·10	–	–	3·59	5·80	51·49
Lansing Branch	Jonesville....North Lansing	"	61·30	–	–	5·51	8·63	75·44
Kalamazoo Branch	White Pigeon....Kalamazoo	"	36·52	–	–	4·63	8·43	49·58
Mishawaka Branch	Elkhart....Mishawaka	Ind	11·90	–	–	1·48	6·81	20·19
Goshen Branch	Goshen....12458′ N of Twin Lake	"	25·57	–	–	·36	1·06	26·99
	N of Twin Lake....Sturgis	Mich	3·83	–	–	·40	·61	4·84
Kankakee Branch	South Bend....38′ E of Illinoi	Ind	82·20	–	–	21·97	29·22	133·39
	E of Illinoi....Seatonville Junction	Ill	109·51	–	–	16·22	46·02	171·73
	Ladd Junction....N Y C Junction	"	·47	–	–	·31	·38	1·16
Danville Branch	Indiana Harbor....7524′ S of Allison	Ind	100·77	55·64	–	16·34	122·89	295·64
	S of Allison....Danville	Ill	8·49	8·34	–	·13	·25	17·21
M C Connecting Branch	At South Bend....	Ind	1·93	–	–	·45	1·56	3·94
Dune Park Branch	Gibson....Dune Park	"	17·19	2·17	–	2·45	10·44	32·25
Churchill Branch	Ladd....Churchill	Ill	2·79	–	–	·27	·93	3·99
Bradley Branch	Kankakee....Bradley	"	1·35	–	–	·13	·17	1·65
Depue Branch	Depue Junction....Depue	"	1·27	–	–	·17	·52	1·96
Benton Harbor Branch	St Joseph Junction....Benton Harbor	Mich	1·42	–	–	·19	·82	2·43
Connections and wyes	Various places....	N.Y.	15·15	8·79	–	—	—	23·94
	Various places....	Penn	·96	–	–	—	—	·96
	Total branches owned		2,786·52	450·84	28·48	351·64	1,423·00	5,040·48
	Total main line and branches owned		3,739·78	1,403·98	1,460·85	583·81	2,992·92	10,181·34

LINES OPERATED UNDER LEASE OR CONTRACT—AFFILIATED	Miles of main track: First	Second	All other	Passing Tracks Cross Overs, etc.	Yards and Sidings	Total
Battle Creek & Sturgis Rwy	·28	–	–	·07	·41	·76
Beech Creek Extension R R	129·04	6·66	–	17·34	30·17	183·21
Cleveland, Cincinnati, Chicago & St Louis Ry and subsidiaries	2,512·50①	678·82	35·55	451·08	1,213·18②	4,891·13
Detroit, Toledo & Milwaukee R R	–	–	–	—	15·17	15·17
Hudson River Connecting Railroad	24·39	20·29	8·79	2·78	120·03	176·28
Lake Erie, Alliance & Wheeling R R	87·67	–	–	12·99	36·78	137·44
Mahoning Coal R R and subsidiaries	70·56	35·45	8·82	10·92	60·62	186·37
Michigan Central R R and subsidiaries	1,505·98③	600·81	24·51	235·73	1,122·53④	3,490·56
New Jersey Junction Railroad	4·44	4·34	–	1·04	11·00	20·82
New York and Harlem Railroad	134·33	54·98	26·54	25·96	90·22	332·03
Ottawa and New York Rwy	56·81	–	–	3·08	5·71	65·60
St Lawrence and Adirondack Rwy	43·48	–	–	7·29	12·45	63·22
Toledo & Ohio Central Rwy and subsidiaries	657·42	22·39	1·70	128·56	394·23	1,204·30
West Shore R R and subsidiary	490·05	325·43	41·13	63·07	308·93	1,228·61
Total lines operated under lease or contract—affiliated	5,717·95	1,749·17	147·04	959·91	3,421·43	11,995·50
LINES OPERATED UNDER LEASE OR CONTRACT—NOT AFFILIATED						
Beech Creek Railroad	124·01	8·91	–	14·82	127·29	275·03
Boston & Albany R R and subsidiaries	359·62	220·60	98·82	61·35	314·88	1,055·27
Canadian National Rwys	13·32	–	–	1·52	3·08	17·92
Central Railroad of Indianapolis	–	–	–	—	1·94	1·94
Delaware, Lackawanna & Western R R	–	–	–	—	1·29	1·29
Detroit, Hillsdale & South Western R R	64·72	–	–	1·73	4·48	70·93
Dillonvale & Smithfield Rwy	4·42	–	–	·37	5·01	9·80
Erie & Kalamazoo Railroad	21·82	–	–	2·55	2·79	27·16
Fort Wayne & Jackson Railroad	92·63	4·73	·02	6·32	18·10	121·80
Illinois Central Railroad	–	–	–	—	2·02	2·02
Kalamazoo, Allegan & Grand Rapids R R	58·47	–	–	8·24	10·42	77·13
Mt Gilead Short Line Rwy	·74	–	–	·11	·23	1·08
New York, Chicago & St Louis R R	–	–	6·18	—	—	6·18
St Joseph, So Bend & Southern R R	39·31	–	–	1·54	8·84	49·69
Titusville & Cambridge Springs R R	–	–	–	—	·45	·45
Troy & Greenbush Railroad	5·56	5·51	–	·71	11·06	22·84
Total lines operated under lease or contract—not affiliated	784·62	239·75	105·02	99·26	511·88	1,740·53
Total lines operated under lease or contract	6,502·57	1,988·92	252·06	1,059·17	3,933·31	13,736·03

①·18 mile at Marion, Ind., owned jointly with T St L & W R R and ·20 mile in Carmi, Ill., owned jointly with L & N R R

②Includes 1·11 miles at Speedway, Ind., owned jointly by the P & E and B & O, and ·32 mile at Danville owned jointly by the P & E and C & E I R R.

③Includes ·77 mile owned jointly by the M C R R, I C R R, C & N W Ry and C B & Q R R, and 1·37 miles at Joliet, Ill., owned jointly by the M C R R and C R I & P Ry

④Includes ·35 mile at Cheboygan, Mich. owned jointly by the M C R R and the D & M R R, and ·09 mile at Kalamazoo, Mich. owned jointly by the C K & S and G T W Ry

TABLE OF TRACKS (concluded)

LINES OPERATED UNDER TRACKAGE RIGHTS	Miles of main track			Passing Tracks, Cross Overs, etc.	Yards and Sidings	Total
	First	Second	All Other			
Baltimore and Ohio Railroad	89·73	49·41	–	·45	·93	140·52
Boston and Maine Railroad	·32	·02	–	–	–	·34
Boston Terminal Company	·45	·45	–	–	–	·90
Buffalo Creek Railroad	3·56	3·48	·95	–	–	7·99
Buffalo, Rochester & Pittsburgh Rwy	48·97	19·77	–	–	–	68·74
Canadian National Railways	10·50	·53	–	–	–	11·03
Canadian Pacific Railway	15·24	14·12	–	–	–	29·36
Cherry Tree & Dixonville R R	38·00	–	–	2·77	22·78	63·55
Chesapeake & Ohio Railway	20·75	1·55	–	2·89	4·51	29·70
Chicago, Burlington & Quincy R R	6·63	–	–	1·17	4·11	11·91
Chicago & Eastern Illinois R R	3·50	–	–	–	3·95	7·45
Chicago & North Western Rwy	1·94	–	–	–	–	1·94
Chicago, Rock Island & Pacific R. R.	–	–	4·33	–	–	4·33
Cincinnati Union Terminal	2·71	1·91	–	–	–	4·62
Cleveland Union Terminals Company	–	–	7·00	5·79	8·35	21·14
Dayton Union Railway	1·86	1·80	4·37	1·07	·65	9·75
Delaware and Hudson Company	12·11	1·02	–	–	–	13·13
Detroit & Mackinaw Railroad	2·16	–	–	–	3·59	5·75
Erie Railroad	54·91	48·66	·57	–	–	104·14
Grand Trunk Western Rwy	3·23	–	–	–	–	3·23
Illinois Central Railroad	15·48	14·74	–	–	–	30·22
Indiana Harbor Belt Railroad	30·91	29·70	–	10·47	12·91	83·99
Indianapolis Union Railway	10·94	10·97	–	–	–	21·91
Lake Erie & Eastern Railroad	8·31	8·28	–	4·23	3·26	24·08
Lake Erie & Pittsburg Railway*	27·76	–	–	9·50	3·98	41·24
Louisville & Jeffersonville Bridge & R R	2·60	–	–	–	–	2·60
Louisville & Nashville R R	1·82	1·55	–	–	–	3·37
Manistee & North Eastern Rwy	2·96	–	–	–	–	2·96
New York, Chicago & St Louis R R	21·02	23·36	–	–	–	44·38
New York, Ontario & Western Rwy	12·96	–	–	–	–	12·96
Nicholas Fayette & Greenbrier R R‡	104·01	–	–	5·35	6·94	116·30
Pennsylvania Railroad	165·06	89·08	–	2·48	3·95	260·57
Peoria & Pekin Union Rwy	8·83	–	–	–	–	8·83
Pittsburgh & Lake Erie R R	5·47	4·22	1·06	–	11·23	21·98
Pere Marquette Railroad	·16	–	–	–	–	·16
Rutland Railroad	36·79	–	–	–	–	36·79
Southern Railway	–	–	–	–	6·60	6·60
Terminal R R Ass'n of St Louis	12·11	12·61	–	–	–	24·72
Toledo Terminal Railroad	28·59	25·85	–	–	–	54·44
Troy Union Railroad	2·03	2·00	–	·72	·89	5·64
Union Depot Company	–	–	·53	–	–	·53
Wabash Railway	·17	–	–	·03	–	·20
Wheeling & Lake Erie Railway	13·22	–	–	–	–	13·22
Zanesville Terminal Railroad	·15	–	–	·12	·53	·80
Industrial Track	–	–	–	–	·09	·09
Total trackage rights	827·92	365·08	18·81	47·04	99·25	1,358·10
Total operated mileage	11,070·27	3,757·98	1,731·72	1,690·02	7,025·48	25,275·47

RECAPITULATION

STATE OR PROVINCE	Owned		Lines operated under lease or contract		Otherwise operated		Totals	
	1st track miles	All tracks miles	1st track miles	All tracks miles	1st track miles	All tracks miles	1st track miles	All tracks miles
New York	2,091·89	5,726·61	701·16	1,760·91	92·10	102·26	2,885·15	7,589·78
Pennsylvania	346·48	687·89	254·88	466·85	229·99	321·68	831·35	1,476·42
Ohio	408·09	1,840·97	1,492·07	3,153·60	206·76	448·47	2,106·92	5,443·04
Indiana	406·82	1,127·89	1,124·50	2,090·61	93·22	149·40	1,624·54	3,367·90
Illinois	137·88	321·71	685·27	1,330·73	65·72	155·16	888·87	1,807·60
Michigan	348·62	476·27	1,290·14	2,623·87	8·68	13·38	1,647·44	3,113·52
Massachusetts	—	—	304·35	915·93	·77	1·24	305·12	917·17
Kentucky	—	—	—	—	2·12	2·86	2·12	2·86
Missouri	—	—	—	—	8·18	16·86	8·18	16·86
New Jersey	—	—	23·27	181·29	—	—	23·27	181·29
West Virginia	—	—	142·94	231·18	104·01	116·30	246·95	347·48
Province of Quebec	—	—	46·56	60·51	14·12	28·24	60·68	88·75
Province of Ontario	—	—	437·43	920·55	2·25	2·25	439·68	922·80
Totals	3,739·78	10,181·34	6,502·57	13,736·03	827·92	1,358·10	11,070·27	25,275·47

*Owned jointly by the N Y C R R Co and the Penn Co ‡Owned jointly with the Chesapeake and Ohio Rv Co

TRAIN, LOCOMOTIVE AND CAR MILEAGE STATISTICS

INCLUDING ALL LEASED LINES

TRAIN MILEAGE

REVENUE SERVICE	1938	1937	Increase	Decrease
Freight train-miles	29,109,782	35,603,554		6,493,772
Passenger train-miles (passenger)	36,997,739	40,233,731		3,235,992
Passenger train-miles (milk)	698,746	768,154		69,408
Passenger train-miles (other)	2,795,107	3,081,751		286,644
Total revenue train mileage	69,601,374	79,687,190		10,085,816
Non-revenue train-miles	911,639	1,601,375		689,736
Total train mileage	70,513,013	81,288,565		10,775,552

LOCOMOTIVE MILEAGE

REVENUE SERVICE				
Freight locomotive-miles	32,479,025	39,719,018		7,239,993
Passenger locomotive-miles (milk)	751,135	833,080		81,945
Passenger locomotive-miles (other)	39,501,689	43,312,573		3,810,884
Train switching locomotive-miles	4,488,683	5,193,065		704,382
Yard switching locomotive-miles	21,698,456	26,858,774		5,160,318
Total revenue locomotive mileage	98,918,988	115,916,510		16,997,522
Non-revenue locomotive-miles	1,023,976	1,833,614		809,638
Total locomotive mileage	99,942,964	117,750,124		17,807,160

CAR MILEAGE

REVENUE SERVICE				
Freight-train car-miles in freight trains				
Loaded	926,695,339	1,172,801,543		246,106,204
Empty	632,140,028	755,477,006		123,336,978
Caboose	29,154,303	35,722,839		6,568,536
Total	1,587,989,670	1,964,001,388		376,011,718
Freight-train car-miles in passenger trains				
Loaded	514,854	687,735		142,881
Empty	236,970	171,216	65,754	
Caboose	108	25,752		25,644
Total	781,932	884,703		102,771
Total freight-train car mileage	1,588,771,602	1,964,886,091		376,114,489
Passenger-train car-miles in passenger trains				
Coaches	80,599,032	85,808,556		5,209,524
Combination coaches	15,099,454	15,634,897		535,443
Sleeping and parlor cars	119,364,239	128,987,936		9,623,697
Dining, club, lounge and observation cars	21,591,319	24,962,670		3,371,351
Business cars	721,700	579,467	142,233	
Other passenger-train cars (milk)	8,660,101	9,276,441		616,340
Other passenger-train cars (other)	111,515,791	115,623,080		4,107,289
Total	357,551,636	380,873,047		23,321,411
Passenger-train car-miles in freight trains				
Coaches	745,187	790,542		45,355
Combination coaches	319,326	298,225	21,101	
Sleeping and parlor cars	12,941	42,491		29,550
Dining, club, lounge and observation cars	3,235	2,709	526	
Business cars	123,434	143,430		19,996
Other passenger-train cars (milk)	2,412,059	2,646,417		234,358
Other passenger-train cars (other)	4,407,577	3,031,016	1,376,561	
Total	8,023,759	6,954,830	1,068,929	
Total passenger-train car mileage	365,575,395	387,827,877		22,252,482
Total revenue car mileage	1,954,346,997	2,352,713,968		398,366,971
Non-revenue car-miles	1,835,159	3,273,968		1,438,809
Total car mileage	1,956,182,156	2,355,987,936		399,805,780

The New York Central Railroad Company

FREIGHT AND PASSENGER STATISTICS

FREIGHT	1938	1937	Increase	Decrease
Tons of revenue freight carried	98,593,108	131,549,445		32,956,337
Tons of company freight carried	11,265,211	14,522,782		3,257,571
Total tons of freight carried	109,858,319	146,072,227		36,213,908
Tons of revenue freight carried one mile	21,981,707,210	28,206,471,339		6,221,764,129
Tons of company freight carried one mile	2,648,358,692	3,200,926,029		552,567,337
Total tons of freight carried one mile	24,630,065,902	31,407,397,368		6,777,331,466
Miles of road operated in freight service	11,004·52	11,017·78		13·26
Tons of revenue freight carried one mile per mile of road	1,997,516	2,560,087		562,571
Tons all freight carried one mile per mile of road	2,238,177	2,850,610		612,433
Average distance haul of one ton of revenue freight	miles 222·95	miles 214·42	miles 8·53	
Average distance haul of one ton of all freight	miles 224·20	miles 215·01	miles 9·19	
Average number of tons of revenue freight per train mile	755·13	792·24		37·11
Average number of tons of all freight per train mile	846·11	882·14		36·03
Average number of tons revenue freight per loaded car mile	23·71	24·04		·33
Average number of tons of all freight per loaded car mile	26·56	26·76		·20
Average number of freight cars per train mile	54·58	55·19		·61
Average number of loaded cars per train mile	31·85	32·96		1·11
Average number of empty cars per train mile	21·72	21·22	·50	
Total freight revenue	$202,781,708.24	$257,541,451.58		$54,759,743.34
Average amount received for each ton of freight	$2.06	$1.96	$0.10	
Average revenue per ton per mile	cent 0·923	cent 0·913	cent 0·010	
Average revenue per mile of road	$18,427.13	$23,375.08		$4,947.95
Average revenue per train mile	$6.97	$7.23		$0.26

PASSENGER				
Number of interline passengers carried	2,455,126	2,820,308		365,182
Number of local passengers carried	16,492,222	18,215,931		1,723,709
Number of commutation passengers carried	29,268,096	30,135,590		867,494
Total number of revenue passengers carried	48,215,444	51,171,829		2,956,385
Total number of revenue passengers carried one mile	2,789,316,609	3,150,672,585		361,355,976
Miles of road operated in passenger service	7,718·15	7,865·55		147·40
Revenue passengers carried one mile per mile of road	361,397	400,566		39,169
Average distance each revenue passenger carried	miles 57·85	miles 61·57		miles 3·72
Average number of passengers per train mile	75	78		3
Average number of passengers per car mile	11·73	12·28		·55
Average number of passenger-carrying cars per train mile	6·42	6·36*	·06	
Average number of cars in passenger trains	8·83	8·64*	·19	
Total passenger revenue	$60,313,893.49	$66,405,563.93		$6,091,670.14
Average amount received from each passenger	$1.25	$1.30		$0.05
Average revenue per passenger per mile	cents 2·162	cents 2·108	cent 0·054	
Total passenger service train revenue	$80,254,250.32	$88,981,546.52		$8,727,296.20
Average passenger service train revenue per mile of road	$10,398.12	$11,312.82		$914.70
Average passenger service train revenue per train mile	$1.98	$2.02		$0.04

TOTAL TRAFFIC				
Operating revenues	$298,681,195 21	$366,226,126 46		$67,544,931 25
Operating expenses	237,502,382 80	284,000,438 88		46,498,056 08
Net operating revenue	$61,178,812 41	$82,225,687 58		$21,046,875 17
Average mileage of road operated	11,070·27	11,079·52		9·25
Operating revenues per mile of road	$26,980 48	$33,051 33		$6,073 85
Operating expenses per mile of road	21,454 07	25,632 92		4,178 85
Net operating revenue per mile of road	$5,526 41	$7,421 41		$1,895 00

* Restated for purposes of comparison

DESCRIPTION OF REVENUE FREIGHT MOVED IN 1938

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1937	1938	PRODUCTS OF AGRICULTURE	1938	1937	Increase	Decrease
1,464		22,275	20,811	Wheat	913,107	966,027		52,920
	9,886	29,733	39,619	Corn	1,716,813	1,270,457	446,356	
	685	13,993	14,678	Oats	461,219	436,638	24,581	
	37	3,470	3,507	Barley and rye	136,585	135,321	1,264	
	222	542	764	Rice	22,563	16,941	5,622	
92		623	531	Grain, N. O. S.	14,476	16,342		1,866
783		41,873	41,090	Flour, wheat	1,072,595	1,101,423		28,828
	655	786	1,441	Meal, corn	32,805	17,716	15,089	
	1,158	1,677	2,835	Flour and meal, edible, N. O. S.	67,853	39,787	28,066	
592		13,199	12,607	Cereal food preparations, edible, N. O. S.	221,045	226,506		5,461
	550	37,263	37,813	Mill products, N. O. S.	906,506	876,589	29,917	
5,193		14,426	9,233	Hay and alfalfa	113,811	180,776		66,965
1,761		2,390	629	Straw	8,537	33,102		24,565
435		3,969	3,534	Tobacco, leaf	41,892	47,304		5,412
153		1,799	1,646	Cotton in bales	39,143	41,096		1,953
684		1,776	1,092	Cotton linters, noils and regins	20,227	33,389		13,162
7		16	9	Cottonseed	171	414		243
	681	1,998	2,679	Cottonseed meal and cake	72,560	53,334	19,226	
	1,475	8,451	9,926	Oranges and grapefruit	181,007	152,218	28,789	
	143	1,059	1,202	Lemons, limes and citrus fruits, N. O. S.	20,567	17,794	2,773	
	899	5,141	6,040	Apples, fresh	83,554	72,722	10,832	
559		10,905	10,346	Bananas	110,330	116,310		5,980
27		466	439	Berries, fresh	10,365	10,240	125	
666		1,935	1,269	Cantaloupes and melons, N. O. S.	14,911	21,831		6,920
1,379		4,779	3,400	Grapes, fresh	57,728	76,887		19,159
	199	1,368	1,567	Peaches, fresh	18,876	15,088	3,788	
1,006		3,229	2,223	Watermelons	29,074	43,571		14,497
	256	1,236	1,492	Fruits, fresh, domestic, N. O. S.	23,415	19,693	3,722	
52		510	458	Fruits, fresh, tropical, N. O. S.	5,727	6,330		603
2,479		17,168	14,689	Potatoes, other than sweet	258,582	307,671		49,089
22		5,601	5,579	Cabbage	70,037	71,483		1,446
611		8,594	7,983	Onions	103,887	111,797		7,910
	1,060	1,972	3,032	Tomatoes	37,693	23,974	13,719	
171		16,085	15,914	Vegetables, fresh, N. O. S.	188,107	188,657		550
	870	3,813	4,683	Beans and peas, dried	132,262	106,642	25,620	
	17	953	970	Fruits, dried or evaporated	27,626	27,794		168
	313	1,948	2,261	Vegetables, dry, N. O. S.	32,820	28,008	4,812	
	503	3,433	3,936	Vegetable-oil cake and meal, except cottonseed	102,466	92,671	9,795	
	144	1,051	1,195	Peanuts	18,857	16,250	2,607	
350		525	175	Flaxseed	7,014	20,016		13,002
	827	897	1,724	Sugar beets	56,838	31,395	25,443	
2,318		27,626	25,308	Products of agriculture, N. O. S.	686,320	707,809		21,489
224		320,553	320,329	TOTALS	8,139,971	7,780,013	359,958	

N. O. S.—Not otherwise specified

DESCRIPTION OF REVENUE FREIGHT MOVED IN 1938 (*Continued*)

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1937	1938	ANIMALS AND PRODUCTS	1938	1937	Increase	Decrease
147		1,472	1,325	Horses, mules, ponies and asses	16,011	17,600		1,589
2,970		20,040	17,070	Cattle and calves, single-deck	203,199	238,946		35,747
535		1,439	904	Calves, double-deck	11,129	17,618		6,489
83		804	721	Sheep and goats, single-deck	5,221	6,024		803
982		6,380	5,398	Sheep and goats, double-deck	52,446	63,478		11,032
269		2,080	1,811	Hogs, single-deck	15,157	17,441		2,284
	2,969	21,727	24,696	Hogs, double-deck	312,517	272,519	39,998	
	1,556	55,461	57,017	Fresh meats, N. O. S.	671,092	640,572	30,520	
149		5,918	5,769	Meats, cured, dried or smoked	82,261	86,484		4,223
104		576	472	Butterine and margarine	5,670	7,274		1,604
109		4,368	4,259	Packing-house products, edible, N. O. S. not including canned meats	68,058	66,190	1,868	
697		3,672	2,975	Poultry, live	23,866	30,797		6,931
453		8,057	7,604	Poultry, dressed	90,308	96,456		6,148
100		7,232	7,132	Eggs	84,560	87,948		3,388
	930	8,882	9,812	Butter	121,360	110,150	11,210	
	26	2,555	2,581	Cheese	33,572	34,235		663
1,505		5,396	3,891	Wool	53,178	73,436		20,258
349		4,643	4,294	Hides, green	99,671	109,430		9,759
215		1,013	798	Leather	14,386	18,346		3,960
933		2,569	1,636	Fish or sea-animal oil	45,334	72,314		26,980
	2	74	76	Animals, live, N. O. S.	726	739		13
404		8,269	7,865	Animal products, N. O. S. (other than fertilizers and fertilizer materials)	185,432	187,767		2,335
4,521		172,627	168,106	TOTALS	2,195,154	2,255,764		60,610
				PRODUCTS OF MINES				
10,975		115,464	104,489	Anthracite coal	4,786,356	5,300,006		513,650
219,929		1,021,013	801,084	Bituminous coal	42,931,465	54,724,248		11,792,783
20,444		54,518	34,074	Coke	1,157,412	1,833,426		676,014
49,576		79,725	30,149	Iron ore	2,250,853	5,945,424		3,694,571
	51	364	415	Copper ore and concentrates	22,747	17,220	5,527	
	30	102	132	Lead ore and concentrates	6,288	5,279	1,009	
289		2,083	1,794	Zinc ore and concentrates	93,811	109,715		15,904
1,919		9,001	7,082	Ores and concentrates, N. O. S.	428,122	520,249		92,127
3,108		23,899	20,791	Gravel and sand (other than glass or molding)	1,221,567	1,352,200		130,633
7,652		20,960	13,308	Stone, broken, ground or crushed	784,810	1,228,055		443,245
1,378		4,232	2,854	Stone, rough, N. O. S.	110,276	173,312		63,036
	45	1,091	1,136	Stone, finished, N. O. S.	35,155	35,566		411
	525	4,863	5,388	Petroleum, crude	190,858	169,540	21,318	
1,888		15,467	13,579	Asphalt (natural, by product or petroleum)	487,295	540,156		52,861
1,070		11,829	10,759	Salt	382,060	410,841		28,781
217		1,037	820	Phosphate rock, crude (ground or not ground)	36,983	45,902		8,919
389		1,758	1,369	Sulphur (brimstone)	62,012	81,213		19,201
36,601		89,177	52,576	Products of mines, N. O. S.	2,615,476	4,651,691		2,036,215
354,784		1,456,583	1,101,799	TOTALS	57,603,546	77,144,043		19,540,497

N. O. S.—Not otherwise specified

DESCRIPTION OF REVENUE FREIGHT MOVED IN 1938 (*continued*)

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1937	1938	PRODUCTS OF FORESTS	1938	1937	Increase	Decrease
45		2,195	2,150	Logs	54,079	60,683		6,604
1,482		5,470	3,988	Posts, poles and piling	110,565	153,270		42,705
137		264	127	Wood (fuel)	3,228	6,781		3,553
1,030		2,343	1,313	Ties, railroad	39,988	67,953		27,965
127		7,383	7,256	Pulp wood	190,866	196,959		6,093
22,652		75,272	52,620	Lumber, shingles and lath	1,352,857	2,007,951		655,094
3,153		9,028	5,875	Box, crate and cooperage materials	116,607	183,742		67,135
468		1,583	1,115	Veneer and built-up wood	26,852	39,171		12,319
501		1,925	1,424	Rosin	35,934	48,356		12,422
	46	478	524	Turpentine	12,268	10,976	1,292	
1,738		4,420	2,682	Crude rubber (not reclaimed)	89,331	148,066		58,735
3,415		10,191	6,776	Products of forests, N. O. S.	114,690	171,445		56,755
34,702		120,552	85,850	TOTALS	2,147,265	3,095,353		948,088
				MANUFACTURES AND MISCELLANEOUS				
16,260		109,053	92,793	Petroleum oils, refined, and all other gasolines	2,621,545	3,090,462		468,917
3,628		21,805	18,177	Fuel, road and petroleum residual oils, N. O. S.	567,635	683,738		116,103
3,414		16,626	13,212	Lubricating oils and greases	288,619	372,561		83,942
232		1,746	1,514	Petroleum products, N. O. S.	35,133	41,743		6,610
493		1,810	1,317	Cottonseed oil	35,855	46,829		10,974
178		1,448	1,270	Linseed oil	35,584	40,408		4,824
864		4,199	3,335	Vegetable oils, N. O. S.	96,829	122,689		25,860
1,071		11,313	10,242	Sugar (beet or cane)	308,073	332,720		24,647
	150	1,761	1,911	Table sirups and edible molasses	55,522	52,234	3,288	
	251	684	935	Molasses, blackstrap and beet residual	42,398	29,356	13,042	
6,963		11,133	4,170	Iron, pig	224,833	610,487		385,654
4,477		6,711	2,234	Iron and steel, rated 6th class in official classification, N. O. S.	103,921	313,460		209,539
1,105		2,261	1,156	Rails, fastenings, frogs and switches	40,630	83,647		43,017
982		2,890	1,908	Cast-iron pipe and fittings	44,523	66,593		22,070
10,217		24,329	14,112	Iron and steel pipe and fittings, N. O. S.	395,915	752,268		356,353
4,409		12,421	8,012	Iron and steel: Nails and wire, not woven	203,971	326,224		122,253
74,968		147,223	72,255	Iron and steel, rated 5th class in official classification, N. O. S. (also tin and terne plate)	2,195,489	4,792,271		2,596,782
1,290		2,063	773	Copper: Ingot, matte and pig	35,666	99,254		63,588
1,578		3,369	1,791	Copper, brass and bronze: Bar, sheet and pipe	52,913	106,120		53,207
2,129		5,656	3,527	Lead and zinc: Ingot, pig or bar	151,419	239,079		87,660
640		1,094	454	Aluminum: Ingot, pig or slab	14,647	34,774		20,127
16,420		37,875	21,455	Machinery and boilers	368,532	644,336		275,804
4,385		53,249	48,864	Cement, natural or Portland (building)	1,604,857	1,766,366		161,509
1,133		4,305	3,172	Brick, common	137,507	188,338		50,831
6,199		18,949	12,750	Brick, N. O. S., and building tile	448,333	698,547		250,214
355		1,602	1,247	Artificial stone, N. O. S.	38,042	47,150		9,108
909		16,729	15,820	Lime, common (quick or slaked)	399,346	412,608		13,262
		522,304	358,406	*Carried forward*	10,547,737	15,994,262		

N. O. S.—Not otherwise specified

DESCRIPTION OF REVENUE FREIGHT MOVED IN 1938 (*concluded*)

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1937	1938	MANUFACTURES AND MISCELLANEOUS (*concluded*)	1938	1937	Increase	Decrease
		522,304	358,406	*Brought forward*	10,547,737	15,991,262		
3,095		14,658	11,563	Plaster (stucco or wall) and dry kalsomine	261,815	339,447		77,632
1,147		6,030	4,883	Sewer pipe and drain tile (not metal)	81,433	102,584		21,151
2,330		11,179	8,849	Agricultural implements and parts, N. O. S.	127,511	173,445		45,934
96		213	117	Vehicles horse-drawn, and parts, N. O. S.	1,431	2,717		1,286
938		3,282	2,344	Tractors and parts	33,032	45,775		12,743
512		1,316	804	Railway car wheels, axles and trucks	23,625	38,971		15,346
90,952		156,532	65,580	Automobiles (passenger)	394,247	944,715		550,468
2,485		6,521	4,036	Autotrucks	34,880	58,482		23,602
45,542		92,516	46,974	Automobiles and autotrucks, knocked down, and parts, N. O. S.	773,094	1,523,180		750,086
5,472		14,348	8,876	Automobile and autotruck tires	123,692	207,849		84,157
766		2,160	1,394	Furniture, metal	18,847	25,859		7,012
3,574		10,125	6,551	Furniture, other than metal	53,765	82,966		29,201
4,006		21,580	17,574	Beverages	367,112	438,477		71,365
878		1,828	950	Ice	30,949	58,979		28,030
5,071		27,556	22,485	Fertilizers, N. O. S.	659,356	795,397		136,041
9,021		30,435	21,414	Newsprint paper	576,325	801,101		224,776
3,798		20,366	16,568	Printing paper, N. O. S.	371,924	464,452		92,528
1,937		8,622	6,685	Alcohol, denatured or wood	149,790	198,998		49,208
455		2,823	2,368	Sulphuric acid	119,189	132,313		13,124
163		1,047	884	Explosives, N. O. S.	15,664	18,590		2,926
1,026		5,141	4,115	Cotton cloth and cotton fabrics, N. O. S.	50,340	59,633		9,293
546		2,053	1,507	Bagging and bags, burlap, gunny or jute	28,931	37,079		8,148
2,135		35,088	32,953	Canned food products, N. O. S.	733,222	793,622		60,400
	54	2,307	2,361	Tobacco, manufactured products	45,566	44,875	691	
1,456		3,373	1,917	Paints in oil and varnishes	38,822	69,225		30,403
723		2,926	2,203	Furnace slag	122,020	156,747		34,727
20,632		36,671	16,039	Scrap iron and scrap steel	688,029	1,505,715		817,686
1,610		15,333	13,723	Paper bags and wrapping paper	295,915	331,426		35,511
5,685		29,366	23,681	Paperboard, pulpboard and wallboard (paper)	482,289	606,811		124,522
1,165		10,496	9,331	Building paper and prepared roofing materials	202,000	229,678		27,678
280		2,130	1,850	Building woodwork (millwork)	34,504	39,006		4,502
	173	9,371	9,544	Soap and washing compounds	207,830	206,827	1,003	
694		1,784	1,090	Glass, flat, other than plate	27,914	45,969		18,055
4,942		23,967	19,025	Glass: Bottles, jars and jelly glasses	340,908	431,605		90,697
143,779		552,172	408,393	Manufactures and miscellaneous, N. O. S.	8,627,963	11,763,698		3,135,735
530,582		1,687,619	1,157,037	TOTALS	26,691,671	38,770,475		12,078,804
924,813		3,757,934	2,833,121	GRAND TOTAL, CARLOAD TRAFFIC	96,777,607	129,045,648		32,268,041
				All L. C. L. freight	1,815,501	2,503,797		688,296
				GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC	98,593,108	131,549,445		32,956,337

N. O. S.—Not otherwise specified

CONDENSED INCOME ACCOUNT FOR THE CALENDAR

	1929	1930 (Note B)	1931
RAILWAY OPERATING REVENUES:			
Freight	$242,332,737	$307,177,575	$245,897,087
Passenger	97,105,738	111,184,745	86,304,508
All Other	57,478,783	60,556,027	49,988,588
Total Railway Operating Revenues	$396,917,258	$478,918,347	$382,190,183
RAILWAY OPERATING EXPENSES:			
Maintenance	$141,993,697	$168,590,289	$129,901,778
Transportation	137,265,129	174,455,031	146,301,549
All Other	23,355,420	33,684,098	30,862,354
Total Railway Operating Expenses	$302,614,246	$376,729,418	$307,065,681
NET REVENUE FROM RAILWAY OPERATIONS	$ 94,303,012	$102,188,929	$ 75,124,502
Railway Tax Accruals (Note A)	$ 27,626,062	$ 34,009,021	$ 32,215,329
Uncollectible Railway Revenues	99,349	125,750	102,942
RAILWAY OPERATING INCOME	$ 66,577,601	$ 68,054,158	$ 42,806,231
Equipment Rents, Net	$ 5,096,158	$ 10,288,151	$ 11,772,768
Joint Facility Rents, Net	3,143,220(cr)	530,480	2,957,885
NET RAILWAY OPERATING INCOME	$ 64,624,663	$ 57,235,527	$ 28,075,578
OTHER INCOME			
Revenues from Miscellaneous Operations	$ 699,318	$ 999,419	$ 909,761
Income from Lease of Road and Equipment	139,936	164,397	162,613
Miscellaneous Rent Income	5,028,252	5,887,458	5,993,994
Miscellaneous non-operating Physical Property	2,670,058	3,448,361	3,664,354
Separately Operated Properties—Profit	713,073	2,003,285	336,321
Dividend Income (Note E)	41,174,838	14,916,582	16,143,262
Income from Funded Securities	4,980,928	6,045,985	5,504,934
Income from Unfunded Securities and Accounts	3,949,638	4,377,681	3,566,470
Income from Sinking and other Reserve Funds	203,233	211,045	187,566
Release of Premiums on Funded Debt	—	—	31,057
Miscellaneous Income	286,997	2,672,189	144,670
TOTAL OTHER INCOME	$ 59,846,271	$ 40,726,402	$ 36,645,002
TOTAL INCOME	$124,470,934	$ 97,961,929	$ 64,720,580
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Expenses of Miscellaneous Operations	$ 669,186	$ 890,875	$ 764,518
Taxes on Miscellaneous Operating Property	37,320	72,421	64,192
Miscellaneous Rents	1,125,552	1,523,116	1,495,709
Miscellaneous Tax Accruals	1,851,107	2,097,183	1,936,442
Separately Operated Properties—Loss	50,435	148,657	114,194
Maintenance of Investment Organization	7,658	35,277	14,922
Miscellaneous Income Charges	250,357	278,650	781,153
Total Miscellaneous Deductions	$ 3,991,615	$ 5,046,179	$ 5,171,130
INCOME AVAILABLE FOR FIXED CHARGES	$120,479,319	$ 92,915,750	$ 59,549,450
FIXED CHARGES			
Rent for Leased Roads and Equipment	$ 14,553,047	$ 27,762,047	$ 26,383,109
Interest on Funded Debt	26,497,380	27,217,660	28,159,311
Interest on Unfunded Debt	659,678	1,414,406	2,067,980
Amortization of Discount on Funded Debt	491,922	539,845	508,949
Total Fixed Charges	$ 42,202,027	$ 56,933,958	$ 57,119,349
NET INCOME	$ 78,277,292	$ 35,981,792	$ 2,430,101
DISPOSITION OF NET INCOME			
Income Applied to Sinking and Other Reserve Funds	$ 190,949	$ 91,087	$ 119,913
Income Appropriated for Investment in Physical Property	—	—	100
Miscellaneous Appropriations of Income	—	—	834
Total Appropriations of Income	$ 190,949	$ 91,087	$ 120,847
INCOME BALANCE TRANSFERRED TO PROFIT AND LOSS	$ 78,086,343	$ 35,890,705 (Note C)	$ 2,309,254
Equipment Depreciation Charges Included in Expenses	$ 15,232,922	$ 25,209,411	$ 25,958,650
Equipment Retirement Charges Included in Expenses	3,878,577	1,651,327	440,823
Total	$ 19,111,499	$ 26,860,738	$ 26,399,473
Included in Non-Operating Income and Rent for Leased Roads and Equipment are certain intercompany transactions representing credits and corresponding debits amounting to	$ 5,982,488	$ 6,634,758	$ 5,909,016

(cr)—Credit. (*)—Italics indicate deficit.

See pages 52 and 53 for notes.

YEARS 1929 TO 1938, INCLUSIVE. (SEE NOTE B)

1932	1933	1934	1935	1936	1937	1938
$193,328,132	$194,286,544	$204,155,074	$218,260,324	$257,714,419	$257,541,451	$202,781,708
60,151,922	53,231,808	54,752,612	55,292,024	62,575,824	66,405,564	60,313,894
40,156,086	35,822,750	36,177,195	36,640,632	40,773,629	42,279,111	35,585,593
$293,636,140	$283,341,102	$295,084,881	$310,192,980	$361,063,872	$366,226,126	$298,681,195
$ 93,073,110	$ 84,621,673	$ 91,753,219	$ 96,776,251	$113,279,032	$120,561,963	$ 92,530,165
110,546,897	101,722,945	109,968,199	117,380,073	131,318,812	139,560,843	123,265,821
23,556,613	21,578,676	22,450,342	23,041,131	24,232,592	23,877,633	21,706,397
$227,176,620	$207,923,294	$224,171,760	$237,197,455	$268,830,436	$284,000,439	$237,502,383
$ 66,459,520	$ 75,417,808	$ 70,913,121	$ 72,995,525	$ 92,233,436	$ 82,225,687	$ 61,178,812
$ 30,083,642	$ 26,456,636	$ 24,836,981	$ 20,619,432	$ 30,812,037 (Note F)	$ 32,160,527	$ 32,723,605
90,672	173,396	178,056	162,208	—	—	—
$ 36,285,206	$ 48,787,776	$ 45,898,084	$ 52,213,885	$ 61,421,399	$ 50,065,160	$ 28,455,207
$ 11,281,581	$ 11,592,638	$ 11,980,673	$ 11,676,501	$ 12,424,248	$ 10,722,838	$ 10,106,754
4,190,638	3,925,975	4,756,483	3,788,860	3,718,524	3,314,055	2,765,977
$ 20,812,987	$ 33,269,163	$ 29,160,928	$ 36,748,524	$ 45,278,627	$ 36,028,267	$ 15,582,476
$ 745,324	$ 683,664	$ 834,820	$ 615,952	$ 655,614	$ 710,121	$ 551,439
126,361	131,178	139,008	157,484	632,230	551,341	487,236
4,785,432	4,182,542	4,989,741	3,305,336	3,471,038	3,525,523	3,356,661
3,545,802	2,594,911	1,937,052	918,242	1,225,304	1,335,228	1,326,068
139,479	385,163	348,653	614,400	695,862	527,220	288,047
6,817,340	6,594,447	7,387,682	10,695,431	9,088,453	11,675,123	5,455,252
5,218,299	5,081,152	6,009,558	5,395,959	5,098,430	4,654,455	3,233,526
2,562,573	2,079,936	1,884,302	1,249,450	1,308,541	1,186,281	359,680
186,309	185,648	169,105	160,123	114,102	77,870	65,561
33,411	30,911	28,414	—	—	—	—
207,175	121,560	328,319	142,417	175,887	74,234	50,196
$ 24,367,505	$ 22,071,112	$ 24,056,654	$ 23,254,794	$ 22,465,461	$ 24,317,396	$ 15,173,666
$ 45,180,492	$ 55,340,275	$ 53,217,582	$ 60,003,318	$ 67,744,088	$ 60,345,663	$ 30,756,142
$ 618,797	$ 491,175	$ 587,881	$ 504,881	$ 502,607	$ 552,459	$ 434,718
64,673	57,800	52,166	57,255	56,631	72,275	76,719
1,504,887	1,250,090	1,046,525	840,401	572,322	627,011	514,545
2,515,288	400,370	444,534	84,082	352,349	359,929	427,254
93,907	41,436	12,948	7,448	7,509	648	18,919
18,251	11,176	14,700	25,814	—	—	—
152,882	131,556	132,624	Cr 2,953	177,945	183,665	207,580
$ 4,968,685	$ 2,383,603	$ 2,291,378	$ 1,516,928	$ 1,669,363	$ 1,795,987	$ 1,679,735
$ 40,211,807	$ 52,956,672	$ 50,926,204	$ 58,486,390	$ 66,074,725	$ 58,549,676	$ 29,076,407
$ 25,659,830	$ 26,423,122	$ 26,282,478	$ 26,366,303	$ 26,707,627	$ 25,163,019	$ 22,472,195
28,348,690	28,153,486	28,744,885	28,549,102	28,777,854	26,404,466	25,297,503
3,988,230	3,792,578	3,581,176	3,455,939	1,656,069	629,579	1,461,066
471,457	—	—	—	—	—	—
$ 58,468,207	$ 58,369,186	$ 58,608,539	$ 58,371,344	$ 57,141,550	$ 52,197,064	$ 49,230,764
$ *18,256,400*(*)	$ *5,412,514*(*)	$ *7,682,335*(*)	$ 115,046	$ 8,933,175	$ 6,352,612	$ *20,154,357* (*)
$ 65,418	—	—	—	—	—	—
—	—	—	—	—	—	—
4,732	—	—	—	—	—	—
$ 70,150	—	—	—	—	—	—
$ *18,326,550*(*)	$ *5,412,514*(*)	$ *7,682,335*(*)	$ 115,046	$ 8,933,175	$ 6,352,612	$ *20,154,357* (*)
$ 13,979,816	$ 6,439,095	$ 14,808,074	$ 16,664,076 (Note D)	$ 16,225,349	$ 16,111,419	$ 16,106,283
9,143,295	8,200,278	92,094	30,172	552,806	501,012	335,990
$ 23,123,111	$ 14,639,373	$ 14,900,168	$ 16,694,248	$ 16,778,155	$ 16,612,431	$ 16,442,273
$ 5,900,105	$ 6,017,006	$ 6,621,131	$ 6,355,145	$ 6,129,779	$ 5,703,048	$ 3,990,620

See pages 52 and 53 for notes.

NOTE A.—The Company makes provision for taxes by accruals of monthly charges against income on the basis of best estimates available as to the amounts ultimately to be paid. As taxes are paid, adjustments are made in the charges to income in order to reflect in the income account the differences between accruals previously made and the amounts actually paid. For the year 1936 includes accruals for Excise Tax in connection with Railroad Retirement Act and Federal and State Social Security Taxes in the aggregate amount of $6,499,788, for 1937 $8,635,293 and for 1938, $8,934,036.

NOTE B.—Effective January 1, 1930, includes operations of Michigan Central Railroad, Cleveland, Cincinnati, Chicago and St. Louis Railway and other lines leased as of February 1, 1930, to The New York Central Railroad Company.

NOTE C.—Includes $1,005,486.79 net income of lessor companies for the month of January, 1930, not transferred to The New York Central Railroad Company's Profit and Loss.

NOTE D.—Beginning with the year 1935 rates for depreciation were changed to conform with the composite rates approved by the Interstate Commerce Commission for the New York Central under Docket No. 15,100 which for the year 1938 were: Steam locomotives 3.16%, Other locomotives 2.61%, Freight train cars 2.78%, Passenger train cars 2.38%, Floating equipment 2.48%, Work equipment 3.76% and Miscellaneous equipment 6.92%.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR

	1929	1930	1931
CREDIT BALANCE AT BEGINNING OF YEAR	$258,798,616.58	$295,010,378.40	$286,783,925.88
CREDITS:			
Credit Balance Transferred from Income for Year	$ 78,086,343.00	$ 34,885,218.06	$ 2,309,254.34
Credits from Retired Road and Equipment	109,696.72	125,122.80	104,116.78
Unrefundable Overcharges	76,848.59	58,824.31	65,879.81
Donations	15,310.43	166,394.37	549,998.27
Other Miscellaneous Credits	1,172,533.00	373,332.67	916,479.20
TOTAL CREDITS	$ 79,460,731.74	$ 35,608,892.21	$ 3,945,728.40
DEBITS:			
Debit Balance Transferred from Income for Year	—	—	—
Dividend Appropriations (Note A)	$ 37,090,531.60	$ 39,940,593.60	$ 19,970,304.81
Surplus Appropriated for Investment in Physical Property	134,992.09	248,978.95	673,502.64
Debits from Retired Road and Equipment (Note B)	4,715,863.37	738,402.09	2,062,735.11
Other Miscellaneous Debits	1,307,582.86	2,907,370.09	331,276.23
TOTAL DEBITS	$ 43,248,969.92	$ 43,835,344.73	$ 23,037,818.79
CREDIT BALANCE AT END OF YEAR	$295,010,378.40	$286,783,925.88	$267,691,835.49

* Debit.

NOTE A.—Dividend appropriations for the year 1929 were appropriated from and charged to Net Income.

NOTE B.—For the year 1936 and subsequent thereto represents ledger value, less net salvage recovered, of roadway property not required for transportation service retired during the year.

NOTE E.—Dividends received from subsidiaries (Companies of which The New York Central Railroad Company owns more than 50% of the capital stock) and the equity of The New York Central Railroad Company in the earnings of such companies in each of the years 1929 to 1938, were:

Year	Dividends received from Subsidiaries	Equity of the N.Y.C. R.R. Co. in Earnings of Subsidiaries
1929	$34,921,045	$33,712,114
1930	5,900,040	5,262,460
1931	9,634,715	2,895,749
1932	1,415,385	1,311,275
1933	1,380,960	1,996,785
1934	1,431,960	2,542,104
1935	4,892,444	2,085,098
1936	2,870,706	3,838,167
1937	5,695,392	3,312,492
1938	759,472	1,002,723
Total	$68,902,119	$57,958,967

NOTE F.—Beginning January 1, 1936, uncollectible railway revenue is charged against the appropriate operating revenue accounts.

TEN-YEAR PERIOD 1929 TO 1938, INCLUSIVE

1932	1933	1934	1935	1936	1937	1938
$267,691,835.49	$238,624,521.10	$225,981,639.18	$199,899,462.26	$195,968,343.44	$ 189,128,381.65	$194,657,969.49
—	—	—	$ 115,045.54	$ 8,933,174.98	$ 6,352,611.95	—
$ 5,085,978.09	$ 49,161.74	$ 156,846.98	*4,103.04**	353,448.55	91,748.10	$ 116,843.82
20,598.99	26,970.57	25,764.65	33,173.60	—	—	—
14,761.21	15,350.51	30,786.40	3,328.68	17,537.66	Dr. 15,033.48	16,945.98
100,117.61	116,906.02	564,845.39	2,113,389.21	1,819,579.58	6,941,711.76 (Note E)	1,608,376.95 (Note F)
$ 5,221,455.90	$ 208,388.84	$ 778,243.42	$ 2,260,833.99	$ 11,123,740.77	$ 13,371,038.33	$ 1,742,166.75
$ 18,326,550.12	$ 5,412,513.71	$ 7,682,334.56	—	—	—	$ 20,154,357.20
—	—	—	—	—	—	—
17,610.70	4,628,657.58	28,395.00	$ 107,538.20	$ 153,565.79	$ 46,348.62	409,790.70
894,561.04	2,537,057.42	3,234,012.04	4,748,854.20	14,406,946.27	6,441,703.49	3,216,831.22
15,050,048.43 (Note C)	273,042.05	15,915,678.74 (Note D)	1,335,560.41	3,403,190.50	1,353,398.38	309,043.85
$ 34,288,770.29	$ 12,851,270.76	$ 26,860,420.34	$ 6,191,952.81	$ 17,963,702.56	$ 7,841,450.49	$ 24,090,022.97
$238,624,521.10	$225,981,639.18	$199,899,462.26	$195,968,343.44	$189,128,381.65	$194,657,969.49	$ 172,310,113.27

NOTE C.—Includes $13,100,659.54 representing unamortized discount, commission and expenses on funded debt. Prior to 1932 it was the Company's policy to amortize debt discount and expense over the life of the debt concerned by charges to income and since that time it has been and now is the policy to charge debt discount and expense directly to profit and loss when incurred.

NOTE D.—By authority of the Interstate Commerce Commission charges aggregating $14,907,366.73 in connection with the voluntary retirement of equipment, instead of being included in operating expenses for the year, were carried directly to profit and loss.

NOTE E.—Includes reversal of accruals to December 31, 1936, for Excise Tax account Railroad Retirement Act of 1935, repealed, $4,781,496.45 and balance of pension reserves accrued in 1925–1926 and 1927 not required account Railroad Retirement Act of 1937. $1,641,391.59.

NOTE F.—Includes $1,120,270.42 representing adjustment of advances to the Pittsburgh, McKeesport and Youghiogheny Railroad Company for equipment charged to "Income prior to July 1, 1907."

DISPOSITION OF REVENUE DOLLAR

	1934	1935	1936	1937	1938
Total Revenue Dollars	$295,084,881	$310,192,980	$361,063,872	$366,226,126	$298,681,195
Average Number of Employees	93,331	89,711	95,801	101,451	84,031
Disposition of Revenue Dollars	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Pay Roll	46.21	47.74	46.43	48.60	51.69
Material and Supplies (Including Locomotive Fuel)	16.79	14.86	16.06	17.75	15.14
Equipment Depreciation and Retirements	5.05	5.38	4.65	4.54	5.50
All Other Operating Expenses	7.98	8.54	7.32	6.66	7.18
Taxes	8.42	6.65	8.53*	8.78*	10.96*
Hire of Equipment and Joint Facility Rents	5.67	4.98	4.47	3.83	4.31
TOTAL EXPENSES	90.12	88.15	87.46	90.16	94.78
Net Railway Operating Income	9.88	11.85	12.54	9.84	5.22
Other Income Credit	8.15	7.50	6.22	6.64	5.08
Total Available for Fixed and Other Charges	18.03	19.35	18.76	16.48	10.30
Amount Needed for Fixed and Other Charges	20.64	19.31	16.29	14.74	17.05
Balance Remaining for Other Corporate Purposes	Def. 2.61	.04	2.47	1.74	Def. 6.75

* Includes the Following:

Unemployment Insurance Tax Under Federal and State Laws	.47	.99	1.56
Excise Tax Under Federal Railroad Retirement Act	1.33	1.37	1.44

The New York Central Railroad Company

Capital Stock of Lessor Companies

December 31, 1938

Name of Lessor Company	Class of Stock	Total Par Value	Total Par Value Held by New York Central	Total Par Value Held by Lessor and Controlled Companies	Total Par Value Held by the Public
Beech Creek Railroad Co.	Capital	$6,000,000	$1,250	$50,000	$5,948,750
Beech Creek Extension Railroad Co.	Capital	5,179,000	5,179,000		
Boston and Albany Railroad Co.	Capital	25,000,000			25,000,000
North Brookfield Railroad Co.	Capital	100,000			100,000
Pittsfield and North Adams Railroad Co.	Capital	450,000	72,200		377,800
Providence, Webster and Springfield R. R. Co.	Capital	160,000			160,000
Ware River Railroad Co.	Capital	750,000			750,000
Cleveland, Cincinnati, Chicago and St. Louis Railway Co.	Common	47,028,800	46,302,100	55,300	671,400
	Preferred	9,998,500	8,516,600		1,481,900
Central Railroad Company of Indianapolis	Capital	60,000			60,000
Chicago, Kalamazoo and Saginaw Railway Co.	Capital	450,000	180,000	270,000	
Detroit, Hillsdale and Southwestern Railroad Co.	Capital	1,350,000			1,350,000
Erie and Kalamazoo Railroad Co.	Capital	300,000			300,000
Fort Wayne and Jackson Railroad Co.	Common	436,132			436,132
	Preferred	2,291,416			2,291,416
Hudson River Connecting Railroad Corp.	Capital	250,000	250,000		
Hudson River Bridge Company at Albany	Capital	500,000	375,000	125,000	
Kalamazoo, Allegan and Grand Rapids R. R. Co.	Capital	610,000			610,000
Lake Erie, Alliance and Wheeling Railroad Co.	Capital	3,000,000	3,000,000		
Lansing Manufacturers Railroad	Capital	100,000	50,000	50,000	
Lansing Transit Railway Co.	Capital	2,000	1,000	1,000	
Mahoning Coal Railroad Co.	Common	1,500,000	926,600		573,400
	Preferred	661,367	522,650		138,717
Mahoning and Shenango Valley Railway Co.	Capital	120,000		120,000	
Shenango Valley Railroad Co.	Capital	60,000		60,000	
Stewart Railroad Co.	Capital	7,700		7,700	
Michigan Central Railroad Co.	Capital	18,736,400	18,631,300	300	104,800
Battle Creek and Sturgis Railway Co.	Capital	500,000	82,500	417,500	
Canada Southern Railway Co.	Capital	15,000,000		8,344,900	6,655,100
Detroit Manufacturers Railroad	Capital	300,000		177,300	122,700
Detroit, Toledo and Milwaukee Railroad Co.	Capital	1,060,000	530,000	530,000	
Detroit River Tunnel Company	Capital	3,000,000		3,000,000	
Joliet and Northern Indiana Railroad Co.	Capital	300,000		300,000	
Niagara River Bridge Company	Capital	700,000		700,000	
New York and Harlem Railroad Co.	Common	8,656,050	5,714,900		2,941,150
	Preferred	1,343,950	1,155,600		188,350
New Jersey Junction Railroad Co.	Capital	100,000	100,000		
Nicholas, Fayette and Greenbrier Railroad Co.	Capital	7,471,800	3,735,900		3,735,900(*)
Ottawa and New York Railway Co.	Capital	1,000,000	1,000,000		
St. Joseph, South Bend and Southern Railroad Co.	Common	500,000			500,000
	Preferred	250,000			250,000
St. Lawrence and Adirondack Railway Co.	Capital	1,615,000	1,615,000		
Troy and Greenbush Railroad Association	Capital	275,000			275,000
Toledo and Ohio Central Railway Co.	Common	5,846,300	5,846,300		
	Preferred	3,701,400	3,701,400		
Wallkill Valley Railroad Co.	Capital	330,000		330,000	
West Shore Railroad Co.	Capital	10,000,000	10,000,000		
	Total	$187,050,815	$117,489,300	$14,539,000	$55,022,515

(*) Held by Chesapeake and Ohio Railway Company.

STATEMENT OF FUNDED DEBT AND OBLIGATIONS OF LESSOR COMPANIES AND CERTAIN WHOLL
OF OBLIGATIONS IN THE TREASURY OF THE NEW YORK CENTRAL RAILROAD COMPAN
OTHER INDEBTEDNESS

Lessor Companies	Designation of Obligation	Due	Principal Amount	Held by Public
Battle Creek & Sturgis Ry. Co	First mortgage bonds, 3%	Dec. 1, 1989	$500,000 00	$476,000 00
Beech Creek Extension R. R. Co.	First mortgage bonds, 3½%	April 1, 1951	3,500,000 00	3,500,000 00
Boston & Albany R. R. Co.	Improvement bonds, 5%	June 1, 1942	1,000,000 00	1,000,000 00
	Main Line First mortgage bonds, series A, 4½%	April 1, 1943	9,000,000 00	9,000,000 00
	Terminal bonds, 3½%	Jan. 1, 1951	1,000,000 00	1,000,000 00
	Refunding bonds, 3½%	April 1, 1952	3,858,000 00	3,858,000 00
	Refunding bonds, 5%	Oct. 1, 1963	3,627,000 00	3,627,000 00
	Improvement bonds, 4¼%	Aug. 1, 1978	5,700,000 00	5,700,000 00
Clev., Cin., Chicago & St Louis Ry. Co.	White Water Valley Div.—mortgage bonds, 4%	July 1, 1940	650,000 00	650,000 00
	Springfield & Col. Div.—first mortgage bonds, 4%	Sept. 1, 1940	1,181,730 00	1,103,500 00
	Springfield Div., purchase money lien, 4%	April 1, 1940	5,000,000 00	5,000,000 00
	Refunding & Imp. mortgage bonds series E, 4½%	July 1, 1977	43,706,000 00	43,706,000 00
	St. Louis division trust bonds, 4%	Nov. 1, 1990	10,000,000 00	7,911,000 00
	Cin. Wabash & Mich. Div. mtg. bonds, 4%	July 1, 1991	4,000,000 00	4,000,000 00
	General mortgage gold bonds, 4%	June 1, 1993	28,579,000 00	28,579,000 00
	General mortgage gold bonds, 5%	June 1, 1993	4,161,000 00	4,161,000 00
	Equipment trust certificates	Various	3,264,000 00	1,867,000 00
Cairo Vincennes & Chicago Ry. Co.	First mortgage bonds, 4%	Jan. 1, 1939	5,000,000 00	5,000,000 00
Chi., Ind. & St. Louis Short Line Ry. Co.	First mortgage bonds, 4%	April 1, 1953	3,000,000 00	3,000,000 00
Cincinnati Northern R. R. Co.	First mortgage bonds, 4%	July 1, 1951	1,000,000 00	419,000 00
	Equipment trust certificates, 5%	Various	54,000 00	27,000 00
Mahoning Coal R. R. Co.	Loans in open account		675,000 00	500,000 00
Michigan Central R. R. Co.	First mortgage bonds, 3½%	May 1, 1952	18,000,000 00	18,000,000 00
	Refunding & Imp. mortgage bonds series C, 4½%	Jan. 1, 1979	11,634,000 00	11,634,000 00
	Equipment trust certificates	Various	2,146,000 00	874,000 00
Kalamazoo & South Haven R. R. Co.	First mortgage bonds, 5%	Nov. 1, 1939	700,000 00	700,000 00
Michigan Air Line R. R. Co.	First mortgage bonds, 4%	Jan. 1, 1940	2,600,000 00	2,600,000 00
Jackson, Lansing & Saginaw R. R. Co.	First mortgage bonds, 3½%	Sept. 1, 1951	1,692,000 00	1,692,000 00
Toledo Canada Southern & Detroit Ry. Co.	First mortgage bonds, 4%	Jan. 1, 1956	3,100,000 00	3,100,000 00
Joliet & Northern Indiana R. R. Co.	First mortgage bonds, 4%	July 10, 1957	1,500,000 00	1,500,000 00
Grand River Valley R. R. Co.	First mortgage bonds, 4%	Sept. 1, 1959	1,500,000 00	1,500,000 00
Bay City & Battle Creek Ry. Co.	First mortgage bonds, 3%	Dec. 1, 1989	49,000 00	49,000 00
Canada Southern Ry. Co.	First & refunding mortgage bonds, 5%	Oct. 1, 1962	29,235,000 00	29,235,000 00
	Leamington & St. Clair first mortgage bonds, 4%	Oct. 1, 1945	130,000 00	130,000 00
Detroit River Tunnel Co.	First mortgage bonds, 4½%	May 1, 1961	18,000,000 00	18,000,000 00

* Proportion of New York Central Lines equipment trust certificates for all of which The New York Central Railroad Company and various lessor or controlled compan
are jointly and severally liable.

OWNED SUBSIDIARIES OUTSTANDING IN THE HANDS OF THE PUBLIC AS OF DECEMBER 31, 1938, EXCLUSIVE OR OF ITS LESSOR COMPANIES OR PLEDGED TO SECURE OTHER INDEBTEDNESS, WHICH INCLUDED IN THE TABLE

Lessor Companies (concluded)	Designation of Obligation	Due	Principal Amount	Held by Public
New Jersey Junction R. R. Co.	First mortgage bonds, 4%	Feb. 1, 1986	$1,700,000 00	$1,700,000 00
New York & Harlem R. R. Co.	Gold mortgage bonds, 3½%	May 1, 2000	12,000,000 00	12,000,000 00
Toledo & Ohio Central Ry. Co.	First mortgage bonds (St. Mary's division), 4%	Feb. 1, 1951	500,000 00	500,000 00
	Refunding and improvement mortgage bonds, series A, 3¾%	June 1, 1960	12,500,000 00	12,500,000 00
	First Preference Income Bonds (St. Mary's division) 4%	Feb. 1, 1951	9,000 00	4,000 00
Kanawha & Michigan Ry. Co.	First mortgage bonds, 4%	April 1, 1990	2,469,000 00	2,469,000 00
St. Lawrence & Adirondack Ry. Co.	First mortgage bonds, 5%	July 1, 1996	800,000 00	800,000 00
	Second mortgage bonds, 6%	Oct. 1, 1996	400,000 00	400,000 00
West Shore R. R. Co.	First mortgage bonds, 4%	Jan. 1, 2361	48,774,500 00	48,755,000 00
		Total Lessor Companies		$302,226,500 00

Note.—In respect of certain items of the above funded debt and obligations of lessor companies, The New York Central Railroad Company is liable as guarantor in addition to its liability under the terms of the leases.

Wholly Owned Subsidiaries			
Clearfield Bituminous Coal Corporation	First mortgage bonds, 4%	Jan. 1, 1940	$443,900 00
	W C & C—Consolidated bonds, 5%	Mar. 1, 1942	1,496,000 00
	B C C & C—First mortgage bonds, 5%	June 1, 1944	410,000 00
Louisville & Jeffersonville Bridge and Railroad Co.	First mortgage, 4%	Mar. 1, 1945	4,500,000 00 †
Merchants Despatch Transportation Corporation	Equipment Trust Certificates	Various	5,576,000 00
New York State Realty & Terminal Co.	Mortgage 300 Park Avenue, N. Y. C.	May 1, 1938	950,000 00
	Mortgage 400 Park Avenue, N. Y. C.	Dec. 30, 1945	480,000 00
		Total Wholly Owned Subsidiaries	$13,855,900 00

† Guaranteed as to payment of principal and interest by The Cleveland, Cincinnati, Chicago and St. Louis Railway Company.

The New York Central Railroad Company

Statements as of December 31, 1938 of the funded debt (a) of companies (other than lessor companies) in respect of the payment of principal and/or interest of which the Company and/or its lessor or controlled companies have assumed contingent liability jointly and/or severally with other railroad companies, and (b) of companies (other than lessor companies and wholly owned subsidiaries) of which at least 50% of the capital stock is owned by the Company and/or its lessor or controlled companies.

		Due			
THE BOSTON TERMINAL COMPANY					
First Mortgage	3½%	February	1, 1947	$13,992,000	
	4%	July	1, 1950	1,163,000	$15,155,000
THE CINCINNATI UNION TERMINAL COMPANY:					
First Gold Mortgage—Series C	5%	May	1, 1957	$12,000,000	
Series D	3½%	May	1, 1971	24,000,000	36,000,000
CHERRY TREE AND DIXONVILLE RAILROAD COMPANY:					
First Mortgage—Series A	4½%	August	1, 1966		1,210,000*
THE CLEVELAND UNION TERMINALS COMPANY:					
First Sinking Fund Gold Mortgage—Series A	5½%	April	1, 1972	$10,732,400	
First Sinking Fund Gold Mortgage—Series B	5%	April	1, 1973	22,219,500	
First Sinking Fund Gold Mortgage—Series C	4½%	October	1, 1977	21,321,000	54,272,900
THE DAYTON UNION RAILWAY COMPANY:					
First Mortgage	4%	July	1, 1949		121,000
FORT WAYNE UNION RAILWAY COMPANY:					
General Mortgage	6%	September	1, 1974		96,000
THE INDIANAPOLIS UNION RAILWAY COMPANY:					
Refunding and Improvement Mortgage—Series B	3½%	March	1, 1986		7,708,000
MISSOURI AND ILLINOIS BRIDGE AND BELT RAILROAD COMPANY:					
First Mortgage	4%	January	1, 1951	$737,000	
St. C., M. & St. B. R. R. Co.—First Mortgage	4%	January	1, 1951	739,000	1,476,000
TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS:					
First Mortgage	4½%	October	1, 1939	$7,000,000	
First Consolidated Mortgage	5%	August	1, 1944	5,000,000	
General Mortgage	4%	January	1, 1953	34,700,000	46,700,000
THE TOLEDO TERMINAL RAILROAD COMPANY:					
First Mortgage	4½%	November	1, 1957		5,800,000
UNION DEPOT COMPANY (COLUMBUS, OHIO):					
General Mortgage	4½%	July	1, 1946		253,000
INDIANA HARBOR BELT RAILROAD COMPANY:					
General Mortgage Gold	4%	July	1, 1957	$4,225,000	
General Mortgage Gold	4½%	July	1, 1957	5,000,000	
Equipment Trust Certificates of June 1, 1924	5%			25,000	9,250,000
THE LAKE ERIE AND PITTSBURG RAILWAY COMPANY:					
First Mortgage—Series A	4½%	July	1, 1965	$3,478,000*	
First Mortgage—Series B	5%	July	1, 1965	142,000*	3,620,000*
THE PEORIA AND EASTERN RAILWAY COMPANY:					
First Consolidated Mortgage	4%	April	1, 1940	$8,376,000	
Collateral Notes	5%	April	1, 1940	500,000	
I. B. & W. Ry.—First Preferred Mortgage	4%	April	1, 1940	854,000	
P. & E. Ry.—Income Mortgage	4%	April	1, 1990	4,000,000	13,730,000
PEORIA AND PEKIN UNION RAILWAY COMPANY:					
First Mortgage Gold	5½%	August	1, 1974		2,984,000
THE MONONGAHELA RAILWAY COMPANY:					
First Mortgage—Series A	4%	May	1, 1960		11,651,000
THE TORONTO, HAMILTON AND BUFFALO RAILWAY COMPANY:					
First Mortgage	4%	June	1, 1946	$3,153,000	
Consolidated Gold Mortgage—Series A	4½%	August	1, 1996	1,872,000	5,025,000
				Total	$215,051,900

* One-half owned by The New York Central Railroad Company.